#2008-126

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:
Delta Bank, National Association
Manteca, California

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over Delta Bank, National Association, Manteca, California ("Bank").

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated October 14, 2008, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order ("Order") by the Comptroller in the interest of compliance and cooperation, and without admitting or denying any wrongdoing.

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an

employee or controlling shareholder of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the date of this Order and every thirty (30) days thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) a description of the action needed to achieve full compliance with each Article of this Order;

(b) actions taken to comply with each Article of this Order; and

(c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

(5) All reports or plans that the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Order, as well as any requests for extension of the time limitations, shall be forwarded, by overnight mail, to the following:

San Francisco Field Office
Comptroller of the Currency
One Front Street, Suite 1000
San Francisco, California 94111

(6) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to all provisions of this Order, and that the Bank has personnel who are sufficiently trained to execute their duties and responsibilities under this Order.

ARTICLE II

CAPITAL PLAN AND STRATEGIC PLAN

(1) The Bank shall at all times maintain the following minimum capital ratios:

(a) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets; and

(b) Total risk based capital at least equal to eleven percent (11%) of risk-weighted assets.

(2) For purposes of this Article, "tier 1 capital", "total risk-based capital", "adjusted total assets", and "risk-weighted assets" are defined in 12 C.F.R. Part 3.

(3) The requirement in this Order to meet and maintain a specific capital level means that the Bank is not deemed "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(4) Effective as of the date of this Order, the Bank shall only declare dividends:

(a) When the Bank is in compliance with the Bank's Three-Year Plan described in Paragraphs (5) and (6) of this Article;

(b) When the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

(c) With the written prior approval from the Assistant Deputy Comptroller.

(5) No later than December 31, 2008, the Board shall revise, adopt, implement, and thereafter ensure adherence to a written capital and strategic plan that covers at least the next

three years (hereafter the Bank's "Three-Year Plan"), complete with specific time frames that incorporate the capital, strategic and other requirements of this Article. Copies of the Bank's Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(6) The Bank's Three-Year Plan shall establish objectives and projections for the Bank's overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, product fine development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives, that are specific, measurable, and verifiable. At a minimum, the Bank's Three-Year Plan shall address or include:

(a) An assessment of the Bank's present and future operating environment;

(b) A mission statement that forms the framework for the establishment of strategic goals and objectives;

(c) The development of strategic goals and objectives to be accomplished over the short and long term;

(d) Specific plans to establish responsibilities and accountability for the strategic planning process, new products, loan growth, proposed changes in the Bank's operating environment, and reduction of problem assets;

(e) Growth limitations;

(f) Recognition that the Bank cannot offer or introduce new products or enter new market segments until it adopts a sound credit culture, implements appropriate risk management systems, and returns the Bank to a satisfactory condition;

(g) Specific plans for maintaining adequate capital at levels that are no less than the requirements specific in Paragraph (1) of this Article;

(h) The primary source(s), especially those that are not credit sensitive, from which the Bank will maintain a capital structure sufficient to meet the Bank's needs;

(i) Contingency plans that specifically identify alternative capital sources should the primary source(s) under subparagraph (h) not be available, and the estimated amount of funds available from these sources;

(j) Specific plans for maintaining adequate liquidity in accordance with the requirements of Article V, including developing an appropriate contingency funding plan;

(k) A financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years; and

(l) Systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(7) After the OCC has advised the Bank in writing that it does not take supervisory objection to the Bank's Three-Year Plan, the Board shall immediately implement, and shall thereafter ensure adherence to, the terms of the Bank's Three-Year Plan.

ARTICLE III

PROBLEM LOAN MANAGEMENT

(1) No later than November 30, 2008, the Board shall adopt and implement a plan (hereafter the Board's "Problem Assets Plan") that will reduce the volume of problem assets by

ensuring that management promptly addresses and intervenes, as appropriate, to resolve problem credit situations consistent with OCC Banking Circular 255.

(2) No later than November 30, 2008, the Board shall reallocate internal sources or identify and employ an outside individual to ensure that a person with demonstrated experience and skills leads management's efforts to resolve and reduce problem assets (hereinafter "loan workout specialist"). This person shall be independent and report to the Board of Directors.

(3) Prior to the appointment or employment of any loan workout specialist, the Board shall submit the name and qualifications of the proposed individual to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(4) Effective as of the date of this Order, the Board shall take immediate and continuing action to protect the Bank's interest in those assets criticized in any Report of Examination (ROE), management assessment, internal or external loan review, or in any list provided to management by the National Bank Examiners during an examination.

(5) The Board's Problem Assets Plan shall include the development of Criticized Asset Reports ("CARs") on all criticized credit relationships totaling $250,000 or more. CARs must be updated and submitted to the Board monthly. Each CAR shall cover an entire credit relationship, and include, at a minimum, analysis and documentation of the following:

(a) The origination data for each criticized asset, including date, amount, and purpose of the loan;

(b) An identification of the expected primary and secondary sources of repayment;

(c) Grade history of the loan (not just the current grade of the loan) and the historic reasons for the grade changes;

(d) The appraised value of supporting collateral and the position of the Bank's lien on such collateral, where applicable, as well as other necessary documentation to support the collateral valuation;

(e) An analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;

(f) Cumulative information for significant developments, including a separate section and discussion of changes since the prior CAR, if any;

(g) The proposed action to eliminate the basis of criticism and the time frame for its accomplishment, including an appropriate exit strategy; and

(h) Trigger dates for upgrades and downgrades, including positive borrower actions or for loan officers to reassess the strategy and enact collection plans.

(6) The Board's Problem Assets Plan shall include the development of action plans for each parcel of Other Real Estate Owned ("OREO") to ensure that these assets are managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34, Subpart E. Action plans must be updated and submitted to the Board monthly, and, at a minimum, each action plan shall:

(a) Identify the Bank officer(s) responsible for managing and authorizing transactions relating to the OREO property;

(b) Contain an analysis of each OREO property which compares the cost to carry against the financial benefits of near term sale;

(c) Detail the marketing strategies for each parcel;

(d) Identify targeted time frames for disposing of each parcel of OREO;

(e) Establish targeted write-downs at defined periodic intervals if marketing strategies are unsuccessful;

(f) Establish procedures to require periodic market valuations of each property, and the methodology to be used; and

(g) Provide for reports to the Board on the status of OREO properties on at least a quarterly basis.

(7) Effective as of the date of this Order, the Bank may not extend credit, directly or indirectly, including renewals, extensions or capitalizations of accrued interest, to a borrower whose loans or other extensions of credit are criticized in a ROE, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination, unless each of the following conditions is met:

(a) The Board finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board or a designated committee thereof, approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank. A copy of the Board's findings and approval shall also be included in the appropriate credit file or loan presentation; and

(b) The Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of additional credit.

ARTICLE IV

CREDIT RISK RATINGS AND NONACCRUAL RECOGNITION

(1) No later than November 30, 2008, the Board shall develop a program to ensure that the risk associated with the Bank's loans is properly reflected and accounted for on the Bank's books and records, to include, at a minimum, provisions requiring that:

(a) The Bank's loans and other assets are appropriately and timely risk rated and charged-off by the lending officers using a loan grading system that is based upon current facts, existing repayment terms and that is consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller's Handbook;

(b) The Bank's loans and other assets are timely placed on nonaccrual by the lending officers in accordance with the guidelines set forth in the Call Report; and

(c) Loan officers are held accountable in periodic performance reviews and compensation for any failures to appropriately and timely risk rate and/or place loans on nonaccrual.

ARTICLE V

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) No later than December 15, 2008, the Board shall review, enhance, adopt, implement, and thereafter ensure adherence to the Bank's written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses ("Allowance") in accordance with Generally Accepted Accounting Principles ("GAAP"). The Allowance policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions

Examination Council's "Interagency Policy Statement on the Allowance for Loan and Lease Losses" dated December 13, 2006 (OCC Bulletin 2006-47), and July 20, 2001 (OCC Bulletin 2001-37), and shall at a minimum include:

(a) Procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan;

(b) Procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies;

(c) Procedures for validating the Allowance methodology;

(d) Procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:

(i) Trends in the Bank's internal risk ratings, delinquent and nonaccrual loans:

(ii) Results of the Bank's external loan review;

(iii) Concentrations of credit in the Bank;

(iv) Present and prospective economic conditions; and

(v) Applicable experience of the Bank's lending staff.

(2) The program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Call Reports for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered,

prior to the filing of the Call Report, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

ARTICLE VI

LOAN REVIEW

(1) No later than December 15, 2008, the Bank shall have a qualified consultant perform an independent external loan review (hereafter the "External Loan Review") to verify the accuracy of internal risk ratings, with specific emphasis on and beginning with the real estate secured loan portfolio. Subsequently, independent external loan reviews shall be conducted each quarter on other segments of the loan portfolio until the Loan Review Program required pursuant to this Article is fully implemented. The External Loan Review shall include review of, at a minimum:

(a) New appraised values or other valuations;

(b) Project performance;

(c) Payment performance to date;

(d) Maturity dates;

(e) Remaining interest reserves; and

(f) Current financial information about principals and guarantors.

(2) Prior to the employment of any individual or firm to perform the External Loan Review, the Board shall submit the name and qualifications of the proposed consultant and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) The Board shall revise, adopt, implement and thereafter ensure adherence to a loan review program (hereafter, the Bank's "Loan Review Program"), that at a minimum:

(a) Assigns risk ratings on credits reviewed that are consistent with the guidelines set forth in "Rating Credit Risk" and "Allowance for Loan and Lease Losses" booklets of the Comptroller's Handbook;

(b) Prohibits management from overturning any downgrades made or recommended by the Loan Review Program;

(c) Is adequately staffed; and

(d) Recognizes loan losses and records charge-offs in a timely manner in accordance with GAAP.

(4) The Loan Review Program shall require that a written report be submitted to the Board after each review, but at least quarterly. The Board shall forward a copy of the quarterly report, with any additional comments by the Board, to the Assistant Deputy Comptroller within thirty (30) days after receipt of the report. Such reports shall include, at a minimum, comments and conclusions regarding:

(a) The loan review scope and coverage parameters;

(b) The overall quality of loan and lease portfolios reviewed;

(c) The identification, type, rating, and amount of problem loans and leases, including grading differences;

(d) The identification, type and amount of charged off loans;

(e) The identification and amount of delinquent loans and leases;

(f) The identification and amount of performing loans that have extended terms;

(g) The identification of credit and collateral documentation exceptions;

(h) The identification and status of credit related violations of law, rule or regulation;

(i) Loans and leases identified as exceptions to the Bank's Loan Policy;

(j) The identity of the loan officer who originated each loan reported in accordance with subparagraphs (c) through (i) of this Paragraph; and

(k) Any recommendations for improvements.

(5) The Loan Review Program shall also require an annual report to the Board containing an independent reviewer's assessment of the Bank's systems to:

(a) Accurately identify and risk rate problem credits based on lending officer submissions;

(b) Measure, monitor and control risk in significant credit concentrations;

(c) Evaluate the repayment ability of real estate construction and development borrowers with multiple projects;

(d) Evaluate guarantor support of real estate construction and development projects;

(e) Monitor compliance with the Bank's lending policies and applicable laws, rules, and regulations; and

(f) Monitor and control the volume of credit and collateral documentation exceptions.

(6) Prior to the employment of any individual or firm to perform the independent reviewer's assessment or other elements of the Loan Review Program, the Board shall submit the

name and qualifications of the proposed consultant and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(7) A written description of the Loan Review Program called for in this Article shall be forwarded to the Assistant Deputy Comptroller upon implementation.

(8) The Board shall evaluate the internal or external Loan Review Program reports and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the reports. The Board shall maintain a written response to the Loan Review Program reports with the Board minutes for review by the National Bank Examiners.

ARTICLE VII

CREDIT UNDERWRITING AND ADMINISTRATION

(1) Effective as of the date of this Order, the Board shall take necessary steps to ensure the Bank's credit risk management systems are sufficient to ensure the Bank's loan portfolio is managed in a safe and sound manner.

(2) Effective as of the date of this Order, the Bank may not grant, extend, renew, alter or restructure any loan or extension of credit without:

(a) Documenting the specific reason or purpose for the extension of credit;

(b) Identifying the expected source of repayment in writing;

(c) Structuring the repayment terms to coincide with the expected source of repayment;

(d) Obtaining current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed cash flow analysis of all expected repayment sources, including a detailed analysis of the financial support of significant guarantors;

(e) Performing a consistent and complete overview of the borrower's other obligations (at both this Bank and other financial institutions) to analyze and determine the borrower's overall debt load and ensure a robust global debt service analysis;

(f) Determining and documenting whether the loan complies with the Bank's Loan Policy, and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;

(g) Documenting a determination regarding the customer's ability to repay the credit on the proposed repayment terms;

(h) Providing an accurate risk assessment grade according to the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller's Handbook, and recognizing nonaccrual status for each credit according to the guidelines set forth in the Instructions for Preparation of Consolidated Reports of Condition and Income ("Call Report");

(i) Documenting, with adequate supporting material, the value of collateral and proper perfection of the Bank's lien on applicable collateral;

(j) Ensuring compliance with the applicable supervisory loan-to-value requirements of 12 C.F.R. Part 34, Subpart D, Appendix A; and

(k) Obtaining the written approval of the Executive Loan Committee for any loan or extension of credit greater than $250,000.

(3) No later than November 30, 2008, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to manage the high level of credit risk in the Bank's loan portfolio, to include at a minimum:

(a) Procedures to strengthen credit underwriting, particularly in the Bank's commercial real estate ("CRE") portfolio, including expanded loan presentations and analysis providing for:

(i) Detailed project plans;

(ii) Timeframes for project completion;

(iii) Detailed market analysis;

(iv) Stress testing of significant property and lending assumptions at both the transaction level and the portfolio level at the time of underwriting and periodically throughout the duration of the credit. This includes, as applicable, stress testing of interest rates, capitalization rates, absorption and pricing data, cost overruns, occupancy/vacancy rates, lease rates, and rental rates on non-owner occupied properties; and

(v) Detailed analysis of the financial support of significant guarantors;

(b) The establishment and monitoring of CRE concentration limits as required in Article VIII of this Order;

(c) Identifying the types of loans where interest reserves are appropriate, including a prohibition on the use of interest reserves on land acquisition loans;

(d) Identifying the types of loans that are considered high risk loans and reflect poor risk selection and prohibit the Bank from making such loans;

(e) Requirements to ensure participations purchased are consistent with safe and sound banking practices and guidelines set forth in Banking Circular 181 (Revised), dated August 2, 1984;

(f) Quarterly reports to senior management and the loan committee of project status, including:

(i) Development status;

(ii) Comparison of sales activity and development costs to budget;

(iii) Current market conditions and activity;

(iv) Level of interest reserve and comparison to budget; and

(v) Any other significant comments on development.

(g) Procedures to strengthen management of loan workout operations and to maintain an adequate, qualified staff in all lending function areas; and

(h) Procedures for strengthening collections.

(4) No later than December 31, 2008, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to aggregate and track exceptions to the Bank's Loan Policy and underwriting guideline for all loans. This includes, at a minimum, monthly Board monitoring of policy exception reports that track the aggregate number and dollar amount of loans with material underwriting exceptions by type of loan and as a percentage of Tier 1 Capital plus the Allowance, and shall also include exceptions to the appraisal requirements described in paragraph (5) below.

(5) No later than December 31, 2008, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to ensure the Bank obtains appraisals in compliance with the Uniform Standards of Professional Appraisal Practice, 12 C.F.R. Part 34, OCC Advisory Letter 2003-9, and OCC Bulletin 2005-6, to include at a minimum:

(a) The required use of a standard appraisal form for ordering all appraisals;

(b) The ordering of appraisals, independent of the lending function;

(c) The use of Board approved appraisers only;

(d) The establishment of a policy requiring a meaningful, independent review of all appraisals to include analysis commensurate with the type, size and complexity of the property being appraised;

(e) The establishment of a tickler system for tracking appraisals ordered, received, returned, and reviewed; and

(f) The establishment of criteria for obtaining updated appraisals, new appraisals or evaluations.

(6) The Board shall submit a copy of the revised policies and procedures required by this Article to the Assistant Deputy Comptroller.

(7) At least quarterly, the Board shall prepare a written assessment of the Bank's credit risk, which shall evaluate the Bank's progress in reaching compliance with the policies and procedures required by this Article. The Board shall submit a copy of this assessment to the Assistant Deputy Comptroller.

ARTICLE VIII

CONCENTRATIONS OF CREDIT

(1) No later than November 30, 2008, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program (including appropriate revisions to policies and procedures) designed to reduce and manage the risk in the Bank's CRE portfolio in accordance with the guidelines in OCC Bulletin 2006-46, Concentration in Commercial Real Estate Lending, Sound Risk Management Practices (dated December 6, 2006), and the Commercial Real Estate and Construction Lending, A-CRE, of the Comptroller's Handbook (hereafter the Bank's "CRE Program"), that, at a minimum, includes:

(a) The establishment of an overall CRE reduction strategy that includes CRE concentration limits stratified by type, market area and other meaningful measures, including written analysis supporting each established concentration limit;

(b) Monthly monitoring of concentration reports that stratify the CRE portfolio by product type, market area and other meaningful measures;

(c) Strategies and procedures to manage and reduce CRE concentrations to conform with established limits set in Subparagraph (a) of this Article;

(d) Stress testing and/or sensitivity analysis of significant loans to quantify the impact of changing economic conditions on asset quality, earnings, and capital; and

(e) Identification and reporting to the Board of aggregate loans that exceed supervisory loan-to-value limits at least quarterly.

(2) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the CRE Program.

ARTICLE IX

CONTINGENCY FUNDING PLAN

(1) No later than November 30, 2008, the Board shall prepare and submit for a prior written determination of no supervisory objection, a written contingency funding plan (hereafter the Bank's "Contingency Funding Plan") that ensures the Bank can remain liquidity solvent through multiple stress scenarios. The contingency funding plan shall include, at a minimum:

(a) Identification of all sources of liquidity that will be available to manage the Bank through various stress scenarios and the amount of funds available from the various sources in the different stress scenarios;

(b) Assignment of back-up responsibilities in case the primary person in charge of funds management at the Bank is unable to fulfill his/her duties;

(c) Detailed listing of contact information for various outside funding sources, large depositors, and other sources of funds;

(d) Deposit run-off scenarios with step-by-step procedures that management must follow;

(e) An assumption specifically providing for the impact of a significant increase in the level of problem assets, along with an assumption that the Federal Home Loan Bank may restrict borrowing capacity;

(f) Long-term market funding disruption scenarios;

(g) Asset secured funding impairment scenarios; and

(h) Specific triggering events and/or limits, as appropriate, that if met or exceeded shall require the Bank to implement the contingency funding plan and improve asset liquidity.

(2) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Contingency Funding Plan.

ARTICLE X

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;

(b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;

(c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 14th day of October, 2008.

/s/
Brian J. Quade
Assistant Deputy Comptroller
San Francisco Field Office

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of: Delta Bank, National Association Manteca, California

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") is prepared to initiate administrative enforcement proceedings against Delta Bank, National Association, Manteca, California ("Bank") pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for unsafe and unsound banking practices relating to supervision of the Bank and violations of laws, regulations, and guidelines.

The Bank, in the interest of compliance and cooperation, and without admitting or denying any wrongdoing, consents to the issuance of a Consent Order, dated October 14, 2008 ("Order");

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is "the appropriate Federal banking agency" regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an "insured depository institution" within the meaning of 12 U.S.C. § 1818(b)(1).

(4) This Order shall cause the Bank not to be designated as an "eligible bank" for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

ARTICLE II

AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees that said Order shall be deemed an "order issued with the consent of the depository institution" as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

ARTICLE III

WAIVERS

(1) The Bank, by signing this Stipulation and Consent, hereby waives:

(a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);

(b) any and all procedural rights available in connection with the issuance of the Order;

(c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19

(d) all rights to seek any type of administrative or judicial review of the Order; and

(e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER ACTION

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/	October 14, 2008
Brian J. Quade Assistant Deputy Comptroller San Francisco Field Office	Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/	10/14/08
Bart Barringer	Date
/s/	10/14/08
Robert Brocchini	Date
/s/	10/14/08
Tom Doucette	Date
/s/	10/14/08
Joseph A. Freitas	Date
/s/	10/14/08
Theodore Poulos	Date
/s/	10/14/08
Toinette Rossi	Date
/s/	10/14/08
Warren Wegge	Date
	Date
	Date
	Date