

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

In the Matter of: United Americas Bank, N.A. Atlanta, Georgia)))	AA-EC-10-85
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CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over United Americas Bank, N.A., Atlanta, Georgia ("Bank");

WHEREAS, 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 ("Stipulation and Consent"), dated 10/7/2010, that is accepted by the Comptroller; and

WHEREAS, 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;

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

ARTICLE I

STRATEGIC PLAN

(1) Within one hundred twenty (120) days of the date of this Order, the Board shall forward to the Director for his review, pursuant to paragraph (5) of this Article, a written Strategic Plan for the Bank that is acceptable to the Director, covering at least a three-year period. Immediately following receipt of the Director's written determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Strategic Plan. The Strategic Plan shall

establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development, and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives, and shall, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s);
- (c) the strategic goals and objectives to be accomplished;
- (d) specific actions to improve Bank earnings and accomplish the identified strategic goals and objectives;
- (e) identification of Bank personnel to be responsible and accountable for achieving each goal and objective of the Strategic Plan, including specific time frames for the achievement of the goals and objectives;
- (f) a financial forecast, to include projections for major balance sheet and income statement accounts, targeted financial ratios, and growth projections over the period covered by the Strategic Plan;
- (g) a description of the assumptions used to determine financial projections and growth targets;
- (h) an identification and risk assessment of the Bank's present and planned future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in the Strategic

Plan, with the requirement that the risk assessment of new product lines must be completed prior to the offering of such product lines;

- (i) a description of control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's markets;
- (j) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives established in the Strategic Plan;
- (k) a management employment and succession program to promote the retention and continuity of capable management;
- (l) identification of assigned Bank personnel who are responsible and accountable for the strategic planning process, new products, growth goals, and proposed changes in the Bank's operating environment; and
- (m) a description of systems to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives.

(2) If the Board's Strategic Plan under paragraph (1) of this Article includes a plan for the sale or merger of the Bank, the Strategic Plan shall, at a minimum, address the steps that will be taken and the associated timeline to ensure that a definitive agreement for the sale or merger is executed not later than ninety (90) days after the receipt of the Director's written determination of no supervisory objection pursuant to paragraph (5) of this Article.

(3) At least monthly, the Board shall review, against the goals and objectives established in the Strategic Plan, financial reports and earnings analyses prepared by the Bank that evaluate the Bank's performance, as well as the Bank's written explanation of significant differences between the actual and projected balance sheets, income statements, and expense

accounts, including descriptions of extraordinary and/or nonrecurring items. Immediately upon completing its review, the Board shall submit a copy of the reports to the Director.

(4) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Strategic Plan, based on the Bank's monthly reports, analyses, and written explanations of any differences between the Bank's actual performance and its strategic goals and objectives, and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. Immediately upon completing its evaluation, the Board shall submit a copy to the Director.

(5) Prior to adoption by the Board, a copy of the Strategic Plan, and any subsequent amendments or revisions, shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall adopt and the Bank shall immediately implement and adhere to the Strategic Plan.

(6) The Bank may not initiate any action that deviates significantly from the Board-approved Strategic Plan without a written determination of no supervisory objection from the Director. The Board must give the Director advance, written notice of its intent to deviate significantly from the Strategic Plan, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the change in the Strategic Plan.

(7) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's

marketing strategies, marketing partners, business lines, products and services, asset growth, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance. For purposes of this paragraph, "personnel" shall include the president, chief executive officer, chief operating officer, chief financial officer, chief credit officer, chief compliance officer, risk manager, auditor, member of the Bank's board of directors, or any other position subsequently identified in writing by the Director.

ARTICLE II

CAPITAL PLAN AND HIGHER MINIMUMS

- (1) The Bank shall within ninety (90) days of the date of this Order, achieve and thereafter maintain the following minimum capital ratios (as defined in 12 C.F.R. Part 3)¹:
 - (a) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.²
 - (b) Total risk-based capital at least equal to thirteen percent (13%) of risk-weighted assets.
- (2) Within thirty (30) days of the date of this Order, the Board shall forward to the Director for his review, pursuant to paragraph (4) of this Article, a written Capital Plan for the Bank, covering at least a three-year period. At the next Board meeting following receipt of the

¹ The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed to be "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).

² Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure required to be computed for and stated in the Bank's most recent Consolidated Report of Condition and Income (call report) minus end-of-quarter intangible assets and other deductions pursuant to section 2(c)(5) of Appendix A of 12 C.F.R. Part 3.

Director's written determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Capital Plan. The Capital Plan shall include:

- (a) specific plans for the achievement and maintenance of adequate capital, which may in no event be less than the requirements of paragraph (1) of this Article;
- (b) projections for growth and capital requirements, based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's current and future needs, as set forth in the Strategic Plan;
- (d) identification of the primary sources from which the Bank will strengthen its appropriate capital structure to meet the Bank's present and future needs, as set forth in the Strategic Plan;
- (e) specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order and with 12 U.S.C. § 1831o, including the restrictions against brokered deposits in 12 C.F.R. § 337.6;
- (f) contingency plans that identify alternative methods to strengthen capital, should the primary source(s) under paragraph (d) of this Article not be available; and
- (g) a prohibition on the payment of director fees unless the Bank is in compliance with the minimum capital ratios identified in paragraph (1).

- (3) The Bank may pay a dividend or make a capital distribution only:
- (a) when the Bank is in compliance with its approved Capital Plan and would remain in compliance with its approved Capital Plan immediately following the payment of any dividend;
 - (b) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (c) following the prior written determination of no supervisory objection by the Director.

(4) Prior to adoption by the Board, a copy of the Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall adopt and the Bank shall immediately implement and adhere to the Capital Plan. The Board shall review and update the Bank's Capital Plan at least annually and more frequently if necessary or if requested by the Director. Revisions to the Bank's Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection.

(5) If the Bank fails to submit an acceptable Capital Plan as required by paragraph (2) of this Article, or fails to implement or adhere to a Capital Plan to which the Director has taken no supervisory objection pursuant to paragraph (4) of this Article, or fails to achieve and maintain the minimum capital ratios as required by paragraph (1) of this Article, then, at the sole discretion and upon the direction of the Director, the Bank shall within thirty (30) days of notification by the OCC of such failure, develop and submit to the Director for his review and prior written determination of no supervisory objection a Disposition Plan that shall detail the Board's proposal to sell or merge the Bank.

(6) In the event that the Disposition Plan submitted by the Bank's Board outlines a sale or merger of the Bank, the Disposition Plan shall, at a minimum, address the steps that will be

taken and the associated timeline to ensure that a definitive agreement for the sale or merger is executed not later than ninety (90) days after the receipt of the Director's written determination of no supervisory objection to the Disposition Plan.

(7) After the Director has advised the Bank in writing of no supervisory objection to the Disposition Plan, the Board shall immediately adopt and implement, and shall thereafter ensure adherence to, the terms of the Disposition Plan. Failure to submit a timely, acceptable Disposition Plan, or failure to implement and adhere to the Disposition Plan after the Board obtains a written determination of no supervisory objection from the Director, may be deemed a violation of this Order, in the exercise of the Director's sole discretion.

ARTICLE III

COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a permanent and full-time basis in all executive and loan officer positions to carry out the Board's policies; ensure compliance with this Order; ensure compliance with applicable laws, rules, and regulations; and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within thirty (30) days of the date of this Order, the Board shall identify and provide notice to the Director, pursuant to paragraph (6) of this Article, of competent, permanent, and full-time candidates for the position of president and chief executive officer ("CEO") and Chief Credit Officer of the Bank who have sufficient prior experience in problem bank situations. The Board shall comply with the prior notice requirements of 12 U.S.C. § 1831i and 12 C.F.R. § 5.51 when selecting individuals to serve as the Bank's president and CEO and Chief Credit Officer. The new president and CEO and Chief Credit Officer shall be vested with sufficient executive authority to fulfill the duties and responsibilities of the position and ensure the safe and sound operation of the Bank.

(3) Within ninety (90) days of the date of this Order, the Board (with the exception of any Bank executive officers) shall prepare a written assessment of the capabilities of each of the Bank's executive officers and loan officers to perform present and anticipated duties, taking into account the findings contained in the December 31, 2009 Report of Examination ("ROE"), and factoring in each officer's past actual performance, experience, and qualifications, relative to position descriptions, duties, and responsibilities, with particular emphasis on proposed responsibilities to execute the Strategic Plan and correct the concerns raised in the aforementioned ROE. Upon completion, a copy of the written assessment shall be submitted to the Director.

(4) If the Board determines that the performance, skills, or abilities of any executive officers or loan officers need improvement, the Board will, within thirty (30) days following its determination, require the Bank to develop and implement a written program, with specific time frames, to improve the officer's performance, skills, and abilities. Upon completion, a copy of the written program shall be submitted to the Director.

(5) If the Board determines that an executive officer or loan officer will not continue in his/her position, the Board shall document the reasons for this decision in its assessment performed pursuant to paragraph (3) of this Article, and shall within sixty (60) days of such vacancy identify and provide notice to the Director, pursuant to paragraph (6) of this Article, of a qualified and capable candidate for the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Order and the safe and sound operation of functions within the scope of that position's responsibility.

(6) Prior to the appointment of any individual to an executive officer position, the Board shall submit to the Director written notice containing the information that 12 C.F.R. § 5.51 requires for senior executive officers. The Director shall have the power to disapprove the

appointment of the proposed executive officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer. The requirement to submit information and the prior disapproval provisions of this Article are based upon the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Director to complete his review and act on any such information or authority within ninety (90) days.

(7) The Board shall perform, at least annually, a written performance appraisal for each Bank executive officer and loan officer that establishes objectives by which the officer's effectiveness will be measured, evaluates performance according to the position's description and responsibilities, and assesses accountability for action plans to remedy issues raised in ROEs or audit reports. Upon completion, copies of the performance appraisals shall be submitted to the Director. The Board shall ensure that the Bank addresses identified deficiencies in any executive officer in a manner consistent with paragraphs (4) and (5) of this Article.

ARTICLE IV

LIQUIDITY RISK MANAGEMENT PROGRAM

(1) Within sixty (60) days of the date of this Order, the Board shall revise, implement, and maintain a comprehensive liquidity risk management program, consistent with OCC Bulletin 2010-13 (March 22, 2010), which assesses, on an ongoing basis, the Bank's current and projected funding needs, and ensures that sufficient funds or access to funds exist to meet those needs. Such a program must include effective methods to achieve and maintain sufficient liquidity and to measure and monitor liquidity risk, to include at a minimum:

- (a) strategies to maintain sufficient liquidity at reasonable costs including, but not limited to, the following:
 - (i) better diversification of funding sources, reducing reliance on high cost providers;

- (ii) reducing rollover risk; and
 - (iii) increasing liquidity through such actions as obtaining additional capital, placing limits on asset growth, aggressive collection of problem loans and recovery of charged-off assets, and asset sales;
- (b) the preparation of liquidity reports, which shall be reviewed by the Board on at least a monthly basis, to include, at a minimum, the following:
- (i) a certificate of deposit maturity schedule, including separate line items for brokered deposits and uninsured deposits, depicting maturities on a weekly basis for the next one month and monthly thereafter for the following five months, which schedule shall be updated at least weekly;
 - (ii) a schedule of all funding obligations, including unfunded loan commitments, outstanding lines of credit, and outstanding letters of credit, showing the obligations that can be drawn immediately, prepared on a weekly basis for the next one month and monthly thereafter for the following five months, which schedule shall be prepared and updated at least weekly;
 - (iii) a listing of funding sources, including federal funds sold; unpledged assets and assets available for sale; and borrowing lines by lender, including the original amount, remaining availability, type and book value of collateral pledged, terms, and maturity date, if applicable, prepared and updated on a weekly basis for the next one month and monthly thereafter for the following five months;

- (iv) monthly reports on the projected liquidity impact from reputation risk, and economic and credit conditions in the Bank's market(s); and
- (v) a monthly sources and uses of funds report for a minimum period of six months, updated monthly, which reflects known and projected changes in asset and liability accounts and the assumptions used in developing the projections. Such reports shall include, at a minimum:
 - 1. the funding obligations and sources required by (b)(i), (b)(ii) and (b)(iii) of this paragraph;
 - 2. projected additional funding sources, including loan payments, loan sales/participations, or deposit increases; and
 - 3. projected additional funding requirements from a reduction in deposit accounts, including uninsured and brokered deposits, inability to acquire federal funds purchased, or availability limitations or reductions associated with borrowing relationships; and
- (c) a contingency funding plan that, on a monthly basis, forecasts funding needs, and funding sources under different stress scenarios that represent management's best estimate of balance sheet changes that may result from a liquidity or credit event. The contingency funding plan shall include:
 - (i) specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order and 12 U.S.C. § 1831o, including the restrictions against brokered deposits in 12 C.F.R. § 337.6;

- (ii) the preparation of reports that identify and quantify all sources of funding and funding obligations under best case and worst case scenarios, including asset funding, liability funding, and off-balance sheet funding; and
- (iii) procedures that ensure the Bank's contingency funding practices are consistent with the Board's guidance and risk tolerances.

(2) Upon completion of the comprehensive liquidity risk management program, the Board shall submit a copy of the program to the Director.

ARTICLE V

LOAN PORTFOLIO MANAGEMENT

(1) Within sixty (60) days of the date of this Order, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to a written credit policy to improve the Bank's loan portfolio management. The credit policy shall include, but not be limited to:

- (a) a description of the types of credit information required from borrowers and guarantors, including, but not limited to, annual audited statements, interim financial statements, personal financial statements, and tax returns with supporting schedules;
- (b) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining, performing, and documenting a global analysis, which requires current and satisfactory credit information about the borrower and any guarantor sufficient to fully assess and analyze the borrower's and guarantor's cash flow, debt service requirements,

contingent liabilities, and global liquidity condition; and only after the credit officer prepares a documented credit analysis;

- (c) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and documenting the current valuation of any supporting collateral, perfecting and verifying the Bank's lien position, and verifying that reasonable limits are established on credit advances against collateral based on, but not limited to, a consideration of a realistic assessment of the value of collateral, the ratio of loan to value, and overall debt service requirements;
- (d) procedures to ensure ongoing analyses of borrower and guarantor credit information, to include review of borrower and guarantor cash flow and contingent liability analyses;
- (e) procedures to ensure that loans made for the purpose of constructing or developing real estate include, but are not limited to, requirements to:
 - (i) obtain and evaluate detailed project plans; detailed project budgets; time frames for project completion; detailed market analyses; and sales projections, including projected absorption rates;
 - (ii) conduct stress testing of significant projects and lending; and
 - (iii) obtain current documentation sufficient to support a detailed analysis of the financial condition of borrowers and significant guarantors;
- (f) a requirement that borrowers and/or guarantors maintain any collateral margins established in the credit approval process;
- (g) procedures that prohibit the capitalization of accrued interest on any loan renewal or extension;

- (h) procedures that prohibit, on any loan renewal, extension, or modification, the establishment of a new interest reserve using the proceeds of any Bank loan to the same borrower or guarantor;
- (i) procedures to ensure that all exceptions to the credit policy shall be clearly documented on the loan offering sheet, problem loan report, and other Management Information Systems, and shall be approved by the Board or a committee thereof before the loan is funded or renewed;
- (j) credit risk rating definitions consistent with applicable regulatory guidance;
- (k) procedures that require early problem loan identification and ensure that credits are accurately risk rated at least monthly;
- (l) procedures to ensure that identification of and accounting for nonaccrual loans conform with generally accepted accounting practices ("GAAP") and are consistent with the requirements contained in the Consolidated Reports of Condition and Income ("Call Report") instructions;
- (m) procedures to ensure compliance with Call Report instructions, the Bank's lending policies, laws, rules, and regulations;
- (n) procedures to ensure the accuracy of internal management information systems; and
- (o) prudent lending and approval limits for lending officers that are commensurate with their experience and qualifications, and that prohibit combining individual lending officers' lending authority to increase limits.

(2) Upon adoption, the Board shall submit a copy of the credit policy required by this Article to the Director.

(3) The Board shall ensure that Bank personnel performing credit analyses are adequately trained in conducting cash flow analyses, particularly analyses using information from tax returns, and that processes are in place to ensure that additional training is provided as needed.

(4) Within one hundred twenty (120) days of the date of this Order, the Board shall establish a written performance appraisal and salary administration process for loan officers which adequately considers performance relative to job descriptions, policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters.

ARTICLE VI

RESIDENTIAL MORTGAGE LOAN ADMINISTRATION

(1) Within ninety (90) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program that formalizes and improves the Bank's oversight over the residential mortgage loan program, including individual tax identification number loans. The program shall, at a minimum:

- (a) classify retail credit as required by OCC Bulletin 2000-20: *Uniform Retail Credit Classification and Account Management Policy*;
- (b) establish specific standards for when extensions and modifications may be granted;
- (c) establish limits for extensions and modifications;
- (d) establish procedures for assessing and documenting a borrower's capacity to repay for all extensions and modifications, to include obtaining updated credit bureau reports;
- (e) require the Bank to obtain collateral valuations for all modifications;

- (f) prohibit capitalization of interest, escrow, legal fees, and other non-principal costs on uninsured loans, unless fully supported by a written analysis of a borrower's credit-worthiness and a recent valuation of the collateral;
- (g) require the Bank to enhance the loan system to provide for the recording of loan extensions and modifications;
- (h) set loan system parameters for when partial payments may be deemed full payments;
- (i) formalize the authorities and situations, if any, in which master loan file changes may be made;
- (j) prohibit partial re-aging of loans;
- (k) implement automatic nonaccrual criteria, or establish processes to ensure that income is not overstated;
- (l) ensure compliance with Call Report instructions regarding accrual and nonaccrual treatment of loans;
- (m) require the Bank, on a quarterly basis, to review the entire retail portfolio for unidentified troubled debt restructurings, to perform an appropriate Financial Accounting Standards Board – Accounting Standards Codification ("ASC") Topic 310 "Receivables" (pre-codification reference FAS No. 114, Accounting by Creditors for Impairment of a Loan) impairment analysis, and to ensure accurate regulatory reporting;
- (n) require the Bank to review the MGIC-insured portfolio to determine the volume of loans that were extended (not modified) by capitalizing costs without MGIC's approval;

- (o) require the Bank to analyze all loans originated by Phoenix Global Mortgage Corporation (Phoenix) to determine compliance with Bank's underwriting standards and consider the put-back of loans to Phoenix, where appropriate;
 - (p) require that credit bureau scores for the entire retail portfolio be refreshed on at least an annual basis, and
 - (q) require that collateral values for the residential portfolio be refreshed on an annual basis.
- (2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above to the Director.

ARTICLE VII

CONCENTRATIONS OF CREDIT

- (1) Within one hundred twenty (120) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written concentration management program consistent with the guidelines in OCC Bulletin 2006-46 and diversification of risk consistent with OCC Banking Circular 255. The program shall include, but not be limited to, the following:
- (a) policy guidelines to address the level and nature of exposures acceptable to the institution and to set concentration limits, to include limits on commitments to individual borrowers and appropriate sub-limits;
 - (b) procedures to identify and quantify the nature and level of risk presented by concentrations, including review of reports describing changes in conditions in the Bank's markets;

- (c) procedures to periodically review and revise, as appropriate, risk exposure limits and sub-limits to conform to any changes in the institution's strategies and to respond to changes in market conditions;
- (d) periodic portfolio-level stress tests or sensitivity analyses to quantify the impact of changing economic conditions on asset quality, earnings, and capital;
- (e) appropriate strategies for managing concentration levels, including a contingency plan to reduce or mitigate concentrations in the event of adverse market conditions; and
- (f) periodic reports to the Board, to include the following, as appropriate:
 - (i) a summary of concentration levels, by type and subtype;
 - (ii) a synopsis of the Bank's market analysis;
 - (iii) a discussion of recommended strategy when concentrations approach or exceed Board-approved limits; and
 - (iv) a synopsis of changes in risk levels by concentration type and subtype, with discussion of recommended changes in credit administration procedures (for example, underwriting practices, risk rating, monitoring, and training).

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above, and any concentration reports, studies, or analyses, to the Director.

(3) The Board shall ensure that future concentrations of credit are subject to the analysis required by paragraph (1) of this Article and that the analysis demonstrates that the concentration will not subject the Bank to undue credit or interest rate risk.

ARTICLE VIII

APPRAISALS OF REAL PROPERTY

(1) The Board shall require and ensure that the Bank obtains a current independent appraisal or updated appraisal, in accordance with 12 C.F.R. Part 34, on any loan that is secured by real property:

- (a) where the loan's appraisal was found to violate 12 C.F.R. Part 34;
- (b) where the loan was criticized in the most recent Report of Examination (ROE), in any subsequent ROE, or by the Bank's internal or external loan review and the most recent independent appraisal is more than twelve (12) months old; or
- (c) where the borrower has failed to comply with the contractual terms of the loan agreement and the loan officer's analysis of current financial information does not support the ongoing ability of the borrower(s) or guarantor(s) to perform in accordance with the contractual terms of the loan agreement and the most recent independent appraisal is more than twelve (12) months old.

(2) The Board shall require and ensure that the Bank obtain a current independent appraisal or updated appraisal, in accordance with 12 C.F.R. Part 34, on each parcel of Other Real Estate Owned ("OREO") where it is needed to bring an existing OREO appraisal into conformity with the provisions of 12 C.F.R. Part 34. The Board shall require and the Bank shall obtain a current independent appraisal or updated appraisal before any new parcel is transferred to OREO.

(3) Appraisals required by this Article shall be ordered within thirty (30) days of the date of the Order, and going forward, within thirty (30) days following the event triggering the appraisal requirement, for delivery to the Bank within sixty (60) days of ordering.

(4) Within thirty (30) days, the Board shall require and the Bank shall develop and implement an independent review and analysis process to ensure that appraisals conform to appraisal standards and regulations. The appraisal review and analysis process shall ensure that appraisals are:

- (a) performed in accordance with 12 C.F.R. Part 34;
- (b) consistent with the guidance in OCC Bulletin 2005-6, "Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions: Frequently Asked Questions" (March 22, 2005); and,
- (c) consistent with OCC Advisory Letter 2003-9, "Independent Appraisal and Evaluation Function" (October 28, 2003).

(5) Written documentation supporting each appraisal review and analysis, along with the appraisal itself, shall be retained in the loan file.

ARTICLE IX

CREDIT AND COLLATERAL EXCEPTIONS

(1) Except as otherwise provided herein, the Bank shall obtain current and complete credit information on all loans lacking such information, including those listed in the most recent ROE (within ninety (90) days from the effective date of this Order), in any subsequent ROE (within sixty (60) days from the issuance of such ROE), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from receipt of such listing). The Bank shall maintain a list of any credit

exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(2) Except as otherwise provided herein, the Bank shall ensure that proper collateral documentation is maintained on all loans and shall correct each collateral exception listed in the most recent ROE (within ninety (90) days from the effective date of this Order), in any subsequent REO (within sixty (60) days from the issuance of such ROE), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from the receipt of such listing). The Bank shall maintain a list of any collateral exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(3) Effective immediately, the Bank may grant, extend, renew, alter, or restructure any loan or other extension of credit only after:

- (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) documenting, with adequate supporting material, the value of collateral, and properly perfecting the Bank's lien on it where applicable; and
- (e) obtaining and analyzing current and complete credit information, including cash flow analyses, where loans are to be repaid from operations, and

global cash flow analyses, where loan repayment is expected from other sources, such as guarantors, unless:

- (i) a majority of the full Board (or a designated committee thereof) certifies in writing the specific reasons why obtaining and analyzing this information would be detrimental to the best interests of the Bank; and
- (ii) a copy of the Board certification is maintained in the credit file of the affected borrower(s).

ARTICLE X

LOAN REVIEW

(1) Within sixty (60) days of the date of this Order, the Board shall establish an effective, independent, and on-going loan review program to review, at least quarterly, the Bank's loan and lease portfolios, to assure the timely identification and categorization of problem credits. The program shall provide for a written report to be filed with the Board promptly after each review and shall employ a loan and lease rating system consistent with the guidelines set forth in "Rating Credit Risk" and "Allowance for Loan and Lease Losses," booklets A-RCR and A-ALLL, respectively, of the *Comptroller's Handbook*. Such reports shall include, at a minimum:

- (a) conclusions regarding the overall quality of the loan and lease portfolios;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the identification and amount of delinquent loans and leases;
- (d) credit and collateral documentation exceptions;
- (e) loans meeting the criteria for nonaccrual status;

- (f) the identity of the loan officer of each loan reported in accordance with subparagraphs (b) through (e);
- (g) the identification and status of credit-related violations of law, rule, or regulation;
- (h) concentrations of credit;
- (i) loans and leases to the directors, executive officers, and principal shareholders of the Bank and to their related interests; and
- (j) loans and leases in nonconformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above, and any related reports, to the Director.

(3) The Board shall evaluate the loan and lease review report(s) and shall ensure that immediate, adequate, and continuing remedial action, as appropriate, is taken upon all findings noted in the report(s), and that documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits shall be preserved in the Bank.

ARTICLE XI

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall immediately develop, implement, and thereafter ensure Bank adherence to a written program for the maintenance of an adequate Allowance for Loan and Lease Losses ("ALLL"). The program shall be consistent with the comments on maintaining a proper ALLL found in the Interagency Policy Statement on the ALLL contained in OCC Bulletin 2006-47 (December 13, 2006) and with "Allowance for Loan and Lease Losses," booklet A-ALLL of the *Comptroller's Handbook*, and shall incorporate the following:

- (a) internal risk ratings of loans;

- (b) results of the Bank's independent loan review;
- (c) criteria for determining which loans will be reviewed under Accounting Standards Codification, Topic 310, Receivables ("ASC 310") and how impairment will be determined, and procedures to ensure that the analysis of loans complies with ASC 310 requirements;
- (d) criteria for determining loan pools under ASC 310, and an analysis of those loan pools;
- (e) recognition of non-accrual loans in conformance with GAAP and regulatory guidance;
- (f) loan loss experience;
- (g) trends of delinquent and non-accrual loans;
- (h) concentrations of credit; and
- (i) present and projected economic and market conditions.

(2) The program shall provide for a review of the ALLL by the Board at least once each calendar quarter. Any deficiency in the ALLL shall be remedied in the quarter it is discovered, prior to filing the Call Report, by additional provisions from earnings. Written documentation of the factors considered and conclusions reached by the Board in determining the adequacy of the ALLL shall be maintained and made available for review by National Bank Examiners.

(3) Upon completion, the Board shall submit a copy of the ALLL program and quarterly analyses, and any subsequent revisions to the program, to the Director for review.

ARTICLE XII

CRITICIZED ASSETS

(1) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the

basis of criticism of assets criticized in the most recent ROE, in any subsequent ROE, by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." The program shall:

- (a) be independent of the loan origination and approval functions;
- (b) provide for sufficient staff, with adequate qualifications, skills, and experience to effectively manage and resolve problem assets, who are held accountable by the Board to successfully execute their assigned duties;
- (c) include adequate management information systems to measure the status of workout plans on each problem assets; and
- (d) include the development of Criticized Asset Reports ("CARs"), to identify all credit relationships and other assets totaling in aggregate one hundred fifty thousand dollars (\$150,000) or more, criticized as "doubtful," "substandard," or "special mention." The CARs shall be updated and submitted to the Board monthly. Each CAR shall cover an entire credit relationship and shall include, at a minimum, analysis and documentation of the following:
 - (i) the origination date and any renewal or extension dates, amount, purpose of the loan, and the originating and current loan officer(s);
 - (ii) the expected primary and secondary sources of repayment, and an analysis of the adequacy of the repayment sources;
 - (iii) the risk rating of the loan or other asset;
 - (iv) the appraised value of supporting collateral, the date and source of the appraisal, and the position of the Bank's lien on such collateral,

where applicable, as well as other necessary documentation to support the current collateral valuation;

- (v) an analysis of current and complete credit information, including a cash flow analysis where loans are to be repaid from operations;
- (vi) the results of any ASC 310 impairment analysis;
- (vii) significant developments, including a discussion of changes since the prior CAR, if any; and
- (viii) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment, including an appropriate exit strategy.

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above. The CARs must be updated and submitted to the Board and the Director monthly.

(3) The Bank may not extend credit, directly or indirectly, including renewals, modifications, or extensions, to a borrower whose loans or other extensions of credit are criticized as "doubtful," "substandard," or "special mention" in any ROE, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination, unless and until the Board, or a designated committee thereof, finds that each of the following conditions is met:

- (a) the extension of additional credit is necessary to promote the best interests of the Bank, and prior to renewing, modifying, or extending any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank;

- (b) the Bank performs a written credit and collateral analysis as required by paragraph (1)(d) of this Article and, if necessary, the proposed action referred to in paragraph (1)(d)(viii) of this Article is revised, as appropriate; and
- (c) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of additional credit.

A copy of the findings and approval of the Board, or a designated committee thereof, shall be maintained in the credit file of the affected borrower and made available for review by National Bank Examiners.

ARTICLE XIII

FORECLOSED ASSETS

(1) Effective immediately, the Board shall establish, implement, and thereafter ensure Bank adherence to written policy and procedures to require the timely and accurate recognition and reporting of substantive repossessions of collateral. The policies and procedures shall, at a minimum:

- (a) require that assets are accounted for at "fair value" (less cost to sell) consistent with repossession accounting described in paragraphs 28 and 29 of ASC 310; and
- (b) require that all foreclosed or repossessed assets be reported in a manner consistent with Call Report instructions, and that this reporting, including any loss contingencies, occurs in the same quarter when physical possession of the asset is received.

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above to the Director.

ARTICLE XIV

BANK SECRECY ACT PROGRAM

(1) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to provide for compliance with the Bank Secrecy Act ("BSA"), as amended (31 U.S.C. § 5311 *et seq.*); the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C; and the rules and regulations of the Office of Foreign Assets Control ("OFAC") (collectively referred to as the "Bank Secrecy Act" or "BSA"); and for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA. This program shall include comprehensive policies, procedures, and controls to:

- (a) identify and monitor transactions that pose greater than normal risk for compliance with the BSA;
- (b) record and maintain information about transactions that pose greater than normal risk for compliance with the BSA;
- (c) investigate and resolve the Bank's response to transactions that have been identified as posing greater than normal risk for compliance with the BSA;
- (d) perform sufficient due diligence prior to opening a new account that provides for collecting a customer's identifying information, verifying the customer's identification, maintaining identification records, evaluating the customer's BSA risk profile, and determining whether the customer appears on any list of suspected terrorists or terrorist organizations;
- (e) perform annual risk assessments that provide sufficient coverage of the Bank's operations, products, services, and geographies of operation;

- (f) ensure that all suspicious and large currency transactions are identified and reported;
- (g) maintain records on monetary instrument transactions and funds transfers, as required by the BSA;
- (h) identify and report to appropriate management personnel receipt and disbursement of currency or monetary instruments that are suspicious or inconsistent with a customer's business;
- (i) identify and report to appropriate management personnel accounts opened in the name of or for the benefit of a financial institution or foreign bank, as defined in 31 C.F.R. § 103.11;
- (j) establish a method for introducing new products and services that ensures the policies and procedures governing new products and services are consistent with the Bank's program for compliance with the BSA;
- (k) implement escalation procedures concerning a customer with multiple SAR filings or protracted periods of suspicious activity, to include a formal written account closing policy;
- (l) include a formal evaluation of the knowledge, capabilities, and performance of the Bank's BSA staff for identifying transactions that pose greater than normal risk for compliance with the BSA, taking into account the findings contained in the December 31, 2009 ROE and any subsequent examination and audit findings, and factoring in BSA staff performance, experience, and qualifications relative to position descriptions, duties, and responsibilities;

- (m) establish a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of their responsibility for compliance with the requirements of the BSA, including the reporting requirements associated with SARs pursuant to 12 C.F.R. Part 21, Subpart B, regardless of the size of the relationship or type of customer involved; and
- (n) provide for the appointment of a qualified and experienced BSA Officer, with sufficient training, authority, and skills to perform assigned responsibilities, to oversee and manage the Bank's BSA operations and compliance.

(2) The Board-approved written program of policies and procedures developed pursuant to paragraph (1) shall:

- (a) provide detailed discussion and guidance on intrabank transfers;
- (b) place greater emphasis on obtaining adequate customer due diligence for business owners and beneficiaries in an international business context, and provide examples of what that customer due diligence should include; and
- (c) provide guidance specifying particular circumstances under which enhanced due diligence ("EDD") should be obtained.

(3) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above to the Director.

(4) The Board shall conduct appropriate oversight of the BSA Officer function to ensure that the BSA Officer maintains independence from the Bank's senior management, retains all BSA responsibilities so as to ensure that risks are identified and a comprehensive framework for compliance exists, and has the authority to perform assigned responsibilities.

ARTICLE XV

BANK SECRECY ACT ACCOUNT MANAGEMENT

(1) Effective immediately, the Bank shall conduct a review of transactional activity between March 31, 2008 and March 31, 2010 for accounts identified as higher risk by the OCC, but not reviewed as part the examination as of December 31, 2009. The Bank shall determine whether any of the transactions indicate the need for additional EDD, and, if warranted, appropriate EDD shall be obtained and an assessment made as to whether SARs should be filed. Any SAR filing must be communicated to the OCC. Specifically, the Bank shall review certain depositors and all related accounts, which have been identified by the OCC and will be provided to the Bank in a separate document.

(2) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to EDD and risk management procedures for all existing accounts and any new accounts that pose greater than normal risk for compliance with the BSA by requiring:

- (a) identification of all account owners and beneficial owners, in compliance with 31 C.F.R. § 103.121 and consistent with the Guidance on Obtaining and Retaining Beneficial Ownership Information issued by the federal banking agencies, FinCEN, and the Securities Exchange Commission dated March 5, 2010;
- (b) identification of the officers, directors, major shareholders, or partners of the Bank's customers, as applicable;
- (c) identification of accounts that are related to officers, directors, shareholders, and partners of the Bank and the Bank's holding company;

- (d) analysis and documentation of the BSA risk profile of account owners and beneficial owners;
- (e) documentation of the following information for all deposit account customers:
 - (i) all relevant financial information concerning the customer;
 - (ii) the type of business conducted by the customer;
 - (iii) the customer's source of income or wealth; and
 - (iv) any other due diligence required by this Order, the BSA Officer, or the Bank; and
- (f) guidance and standards for declining to open an account, permitting the use of an account while verifying a customer's identity or other risks, closing an account, and filing SARs if the Bank does not receive the information required by this paragraph by the date the information is due or if the Bank is not able to form a reasonable belief that it knows the true identity of a customer.

(3) The Bank shall not open any account for a customer and shall close any existing account of a customer if the information available to or obtained by the Bank indicates that the customer's relationship with the Bank would be detrimental to the reputation or safety or soundness of the Bank.

ARTICLE XVI

BANK SECRECY ACT MONITORING

(1) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to provide for the Bank's monitoring of suspicious cash, monetary instruments, wire

transfers, intrabank transfers, and other activities for all types of transactions, accounts, customers, products, services, and geographic areas. At a minimum, this written program shall establish:

- (a) reviews of cash purchases of monetary instruments;
- (b) reviews of wire transactions (including intermediary wires and cover payments), including the following:
 - (i) frequent or large volume cash deposits, wire transfers, and book entry transfers to or from offshore or domestic entities or individuals;
 - (ii) wire transfers or book entry transfers that are deposited into several accounts;
 - (iii) receipt or disbursement of wire transfers or book entry transfers without an apparent bona fide business reason; and
 - (iv) receipt or disbursement of wire transfers or book entry transfers that are suspicious or inconsistent with a customer's business;
- (c) periodic analysis of aggregate cash, monetary instrument, wire transaction, and pouch activity;
- (d) periodic analysis of Currency Transaction Report filings;
- (e) automatic reviews of accounts or customers for which the Bank has received criminal subpoenas that may involve the BSA;
- (f) reviews of high risk transactions, accounts, customers, products, services, and geographic areas;

- (g) procedures to ensure that all suspicious activity alerts are thoroughly investigated and that all verbal explanations relating to any suspicious activity are verified;
- (h) submission of SARs based on these reviews and analyses; and
- (i) adequate policies and procedures that provide for documentation concerning the clearing of alerts and the determination of whether to file or not file a SAR.

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above to the Director.

(3) Within one hundred and eighty (180) days, the Board shall adopt a system to ensure that intrabank transfer activity is included within the Bank's automated suspicious activity monitoring system.

ARTICLE XVII

BANK SECRECY ACT REMOTE DEPOSIT CAPTURE

(1) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures that establish appropriate risk-based controls over the usage and monitoring of the Remote Deposit Capture ("RDC") delivery system. These controls shall include:

- (a) policies and procedures consistent with the January 14, 2009 interagency guidance on "Risk Management of Remote Deposit Capture" published by the FFIEC (*see* OCC Bulletin 2009-4);
- (b) policies and procedures for identifying, investigating, and resolving transactions that are identified as unusual;
- (c) policies and procedures for reporting suspicious activities;

- (d) periodic evaluations of line of business and compliance personnel knowledge of and adherence to Bank policies and procedures for identifying transactions that pose greater than normal risk for compliance with the BSA in order to determine whether additional or enhanced training should be conducted; and
- (e) periodic evaluations of the sufficient of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activities.

(2) Upon completion, the Board shall forward a copy of the program required in paragraph (1) above to the Director.

ARTICLE XVIII

BANK SECRECY ACT AUDIT

(1) Within sixty (60) days of the date of this Order, the Board, or a designated committee of the Board, shall adopt, implement, and thereafter ensure Bank adherence to an independent BSA audit program, including its scope, testing, and documentation, sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules, and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures;
- (d) ensure adherence to Board-approved BSA policy, deposit agent agreements, and FFIEC RDC guidance that govern risk mitigants to be employed when establishing RDC services;
- (e) perform an appropriate level of testing to support audit findings;
- (f) ensure adequate audit coverage and audit frequency in all areas; and

(g) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) The Board, or a designated committee of the Board, shall ensure appropriate oversight of the BSA audit function, with particular emphasis on an adequately staffed department or outside firm with respect to both the experience level and number of the individuals employed.

(3) Within sixty (60) days of the date of this Order, the Board, or a designated committee of the Board, shall identify an external firm competent to perform a comprehensive and independent review of the Bank's BSA program.

(4) Prior to engagement by the Board, the audit firm's name and qualification, and the Bank's due diligence of the firm, shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall engage the firm to immediately perform the BSA audit.

(5) All audit reports shall be in writing and supported by adequate work papers, which must be provided to the Bank. The Board, or a designated committee of the Board, shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(6) The Board, or a designated committee of the Board, shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

ARTICLE XIX

INTERNAL AUDIT

(1) Within thirty (30) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program sufficient to:

- (a) detect irregularities and weak practices in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules, and regulations;
- (c) assess and report the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;
- (d) evaluate the Bank's adherence to established policies and procedures, with particular emphasis directed to the Bank's adherence to its loan policies concerning underwriting standards and problem loan identification and classification;
- (e) adequately cover all areas; and
- (f) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be in writing and filed directly with the Board and not through any intervening party.

(3) All audit reports shall be in writing and supported by adequate work papers, which must be provided to the Bank. The Board, or a designated committee of the Board, shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and

that the Bank and the auditors maintain a written record describing the deficiency, the projected corrective action, and the status of the corrective action.

(4) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports

(5) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(6) The audit staff shall evaluate in writing the effectiveness of the corrective action and recommend additional corrective actions, as necessary.

(7) Upon adoption, the Board shall forward a copy of the audit program to the Director.

ARTICLE XX

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule, or regulation cited in the December 31, 2009 ROE and in any subsequent ROE. The quarterly progress reports required by Article I of this Order shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within sixty (60) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent ROE that cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

Upon adoption, the Board shall submit a copy of these procedures to the Director for review.

ARTICLE XXI

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Bank requires an extension of any timeframe within this Order, the Board shall submit a written request to the Director asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with a provision and that require an extension of a timeframe within this Order.

(2) All such requests shall be accompanied by relevant supporting documentation, and any other facts upon which the Bank relies. The Director's decision concerning a request is final and not subject to further review.

ARTICLE XXII

OTHER PROVISIONS

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

- (a) a description of the actions 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.

(2) All reports or plans which the Board has agreed to submit to the Director pursuant to this Order shall be forwarded, by overnight mail or via email, to the following:

Director for Special Supervision
Comptroller of the Currency
250 E Street, S.W.
Mail Stop 7-4
Washington, DC 20219

with a copy to:
Atlanta Field Office
Comptroller of the Currency
3 Ravinia Drive, Suite 550
Atlanta, GA 30346

(3) 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 Bank personnel have sufficient training and authority to execute their duties and responsibilities under this Order.

(4) Although the Bank is required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Director, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank's books and records. The Board shall ensure the Bank's prompt and complete compliance with any request by the OCC for access to the Bank's books and records.

(5) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him 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.

(6) Unless otherwise states, 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 Director for good cause upon written application by the Board.

(7) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, provided, however, that nothing in this Order shall prevent the Comptroller from instituting enforcement actions against the Bank or any of its institution-affiliated parties, including, without limitation, assessments of civil money penalties, based on the findings set forth in this Order, or any other findings.

(8) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose signature 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.

(9) In each instance in this Order in which the Board is required to ensure Bank adherence or perform certain obligations or undertakings 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.

(10) 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.

(11) 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 7th day of October, 2010.

/signed/
Henry Fleming
Director, Special Supervision Division

10/7/2010
Date

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

In the Matter of:)	
United Americas Bank, N.A.)	AA-EC-10-85
Atlanta, Georgia)	

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller" or "OCC") intends to initiate cease and desist proceedings against United Americas Bank, N.A., Atlanta, Georgia ("Bank"), pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for unsafe or unsound banking practices relating to strategy, asset quality, credit risk administration, capital, and liquidity, and for violations of law relating to compliance with the Bank Secrecy Act;

WHEREAS, 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 10/7/2010 ("Order") by executing this Stipulation and Consent to the Issuance of a Consent Order;

NOW THEREFORE, 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) As a result of this Order:

(a) the Bank is not an "eligible bank" pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies, and procedures for corporate activities, unless otherwise informed in writing by the OCC;

(b) the Bank is subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC; and

(c) the Bank is subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC.

ARTICLE II

ACKNOWLEDGMENTS

(1) The Bank acknowledges 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 acknowledges 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. 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, 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.

(2) 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) or 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

CLOSING PROVISIONS

(1) 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, the Comptroller deems it appropriate to do so to fulfill the responsibilities placed upon him 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.

/signed/

Henry Fleming
Director, Special Supervision Division

10/7/2010

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.

William Blanton

Date

/signed/

Luis Caceres

10/7/2010

Date

/signed/

Eduardo Martinez

10/7/2010

Date

/signed/

Norberto Sanchez

10/7/2010

Date

/signed/

Ignacio Toboado

10/7/2010

Date

Date