

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

In the Matter of: Zions First National Bank Salt Lake City, Utah)))	AA-EC-11-04
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CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), conducted an examination of Zions First National Bank, Salt Lake City, Utah (“Bank”), specifically of the Bank’s former foreign correspondent business, including its transactions with Casa de Cambio (“CDC”) money service business customers located in Mexico. The OCC identified deficiencies in the Bank’s internal controls, particularly in the area of Bank Secrecy Act and Anti-Money Laundering compliance, which occurred primarily in 2006 and 2007, and informed the Bank of the findings of the examination and investigation.

The Bank, by and through its duly elected and acting Board of Directors (“Board”) has executed a “Stipulation and Consent Order to the Issuance of a Consent Order” (“Stipulation and Consent”), dated February _10___, 2011 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 by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

(1) The Comptroller finds, and the Bank neither admits nor denies that, primarily during the period of 2006 to 2007, the Bank:

- (a) failed to adequately monitor over \$5.4 billion of activity in 2006 and 2007 for a new product initiative, specifically remote deposit capture (“RDC”), offered to former foreign correspondent customers, including CDCs;
- (b) failed to adequately monitor wire activity of its former foreign correspondent customers, including \$7.9 billion of wire activity with CDC customers in 2006 and 2007, before the Bank exited the line of business in early 2008;
- (c) had inadequate SAR processes for its former CDC and foreign correspondent customers and failed to file Suspicious Activity Reports (“SARs”) on a timely basis with respect to those customers;
- (d) failed to comply with the business’ policies and statutory requirements regarding customer due diligence (“CDD”) and enhanced due diligence (“EDD”) for its former foreign correspondent customers for a period of two years, from 2006 to early 2008;

(2) As a result of the findings set forth in paragraph (1) of this Article, the OCC determined that the Bank violated the following Bank Secrecy Act laws and regulations:

- (a) 31 U.S.C. § 5318(g) and 12 C.F.R. §21.11, by failing to adequately monitor CDC and other high risk foreign correspondent accounts to fulfill its suspicious activity reporting obligations and by failing to file timely SARs involving suspicious transactions conducted through the Bank; and
- (b) 31 U.S.C. § 5318(i) and 31 C.F.R. §103.176, by failing to adequately implement a due diligence program that enables the Bank to detect and report, on an ongoing basis, any known or suspected money laundering

activity conducted through or involving any of its foreign correspondent accounts.

(3) As a result of the examination and investigation, and 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 II

CIVIL MONEY PENALTY

(1) Without admitting or denying any wrongdoing, the Bank hereby consents to the payment of a civil money penalty in the amount of eight million dollars (\$8,000,000), which shall be paid upon execution of this Order to the Treasurer of the United States.

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000, with a copy of the check sent to Director, Enforcement & Compliance Division, 250 E Street, SW, Mail Stop 8-10, Washington, DC 20219.
- (b) If a wire transfer is the selected method of payment, it must be sent to the Comptroller's account #XXXX- XXXX-, ABA Routing #XXXXXXXXXX. A copy of the wiring instructions shall be provided to the Director, Enforcement & Compliance Division, at the address listed in subparagraph (a) above

(2) The OCC's penalty assessment shall be concurrent with an eight million dollar (\$8,000,000) penalty assessed against the Bank by the Financial Crimes Enforcement Network

("FinCEN"). Both the OCC and FinCEN penalties shall be satisfied by a single payment of eight million dollars (\$8,000,000) to the Department of Treasury pursuant to the instructions set forth in paragraph (1) of this Article.

(3) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) (as amended).

ARTICLE III

CLOSING

(1) 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.

(2) 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.

(3) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(4) The provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller.

(5) 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 10th day of February, 2011.

/s/ Jennifer Kelly

Jennifer Kelly
Senior Deputy Comptroller
Midsize/Community Bank Supervision
Office of the Comptroller of the Currency

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

In the Matter of:)	
Zions First National Bank)	AA-EC-11-04
Salt Lake City, Utah)	

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

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) is considering whether to assess a civil money penalty proceedings Zions First National Bank, Salt Lake City, Utah (“Bank”) pursuant to 12 U.S.C. § 1818(i)(2) through a Notice of Charges for violations of 31 U.S.C. § 5318(g), 12 C.F.R. §21.11, 31 U.S.C. § 5318(i), and 31 C.F.R. §103.176.

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 (“Order”), dated February 10 , 2011 by executing this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation and Consent”);

NOW, THEREFORE, 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.

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

ARTICLE II

ACKNOWLEDGEMENTS

(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 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 and 3101 *et seq.*

(2) 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.

(3) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to agree to consent to the issuance of the Order or to execute the Order.

(4) The Bank 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.

(5) The Bank expressly acknowledges that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or agencies thereof, including the Department of Justice to bring other actions deemed appropriate.

ARTICLE III

WAIVERS

- (1) The Bank, by signing this Stipulation and Consent, hereby waives:
- (a) the issuance of an Assessment of a Civil Money Penalty pursuant to 12 U.S.C. § 1818(h)(2) (as amended);
 - (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, 12 C.F.R. Part 19;
 - (d) all rights to seek any type of administrative or judicial review of the Order;
 - (e) any and all claims for fees, costs, or expenses against the Comptroller, or any of his agents or employees, related in any way to this Order, whether arising under common law or statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and
 - (f) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

CLOSING

(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.

(2) The Bank agrees that the terms of the Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether written or oral.

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

/s/ Jennifer Kelly
Jennifer Kelly
Senior Deputy Comptroller
Midsize/Community Bank Supervision
Office of the Comptroller of the Currency

2/10/11
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.

<u>/s/ A. Scott Anderson</u> A. Scott Anderson	<u>2/7/11</u> Date
<u>/s/ James T. Jensen</u> James T. Jensen	<u>2/7/11</u> Date
<u>/s/ Susan Johnson</u> Susan Johnson	<u>2/7/11</u> Date
<u>/s/ Charley D. Jones</u> Charley D. Jones	<u>2/8/11</u> Date
<u>/s/ Eric O. Leavitt</u> Eric O. Leavitt	<u>2/7/11</u> Date
<u>/s/ Kent I. Madsen</u> Kent I. Madsen	<u>2/7/11</u> Date
<u>/s/ Theresa A. Martinez</u> Theresa A. Martinez	<u>2/7/11</u> Date
<u>/s/ Keith O. Rattie</u> Keith O. Rattie	<u>2/7/11</u> Date
<u>/s/ Harris H. Simmons</u> Harris H. Simmons	<u>2/8/11</u> Date
<u>/s/ John L. Valentine</u> John L. Valentine	<u>2/8/11</u> Date