

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

)	
In the Matter of:)	AA-EC-2014-115
)	
Cadence Bank, N.A.)	
Birmingham, Alabama)	
)	
)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”) through his National Bank Examiner, has supervisory authority over Cadence Bank, N.A., Birmingham, Alabama (“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 Feb 9, 2015, 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 Cease and Desist Order (“Consent Order”) by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

- (1) The OCC conducted a Bank Secrecy Act / Anti-Money Laundering (“BSA/AML”) examination of the Bank in May 2013 to determine the Bank’s compliance with the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, and its implementing regulations, 12 C.F.R. Part 21.

(2) During this examination, the OCC found deficiencies in the internal controls, independent testing, and BSA/AML oversight pillars of the Bank's BSA/AML program, 12 C.F.R. §§ 21.21(d)(1)-(3).

(3) The deficiencies in these three pillars were so severe as to render the Bank's BSA/AML compliance program, taken as a whole, ineffective, in violation of 12 C.F.R. § 21.21.

(4) Under the *Interagency Statement on Enforcement of Bank Secrecy Act/Anti-Money Laundering Requirements* (Aug. 2007) and 12 U.S.C. § 1818(s), the OCC is required to issue a cease-and-desist order. This cease-and-desist order is necessary and appropriate to ensure that the Bank achieves and maintains compliance with the BSA and 12 C.F.R. Part 21.

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

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Consent 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 who supervises the Bank. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's compliance with this Consent Order. The Board shall remain responsible for the Bank's adherence to the provisions of this Consent

Order. The appointment of the Compliance Committee shall not in any way affect or relieve the Board's responsibility in that regard.

(2) The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(3) Within forty-five (45) days of the date of this Consent Order and quarterly 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 compliance with each Article of this Consent Order;
- (b) actions taken to comply with each Article of this Consent Order; and
- (c) the results and status of those actions.

The Compliance Committee's report shall include copies of any reports prepared by or for the Board regarding BSA/AML activity at the Bank, including any audit reports, whether prepared internally by Bank staff or externally by an independent third party or consultant.

(4) The Bank 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. All submissions required to be made pursuant to this Consent Order shall be addressed to:

Assistant Deputy Comptroller
Office of the Comptroller of the Currency
Midsize Bank Supervision
400 7th Street, SW
Washington, DC 20219

ARTICLE III

COMPREHENSIVE BSA/AML ACTION PLAN

(1) Within thirty (30) days of the date of this Consent Order, the Bank shall submit to the Assistant Deputy Comptroller for a determination of no supervisory objection a plan containing a complete description of the actions that are necessary and appropriate to achieve compliance with Articles II through IX of this Consent Order (“Action Plan”). In the event the Assistant Deputy Comptroller asks the Bank to revise the Action Plan the Bank shall promptly make the requested revisions and resubmit the Action Plan to the Assistant Deputy Comptroller. Following the Assistant Deputy Comptroller’s initial determination of no supervisory objection to the Action Plan, the Bank shall not take any action that would constitute a significant deviation from, or material change to, the requirements of the Action Plan or this Consent Order, unless and until the Bank has received a new written determination of no supervisory objection from the Assistant Deputy Comptroller.

(2) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Consent Order, including, without limitation, successful implementation of the Action Plan. The Board shall further ensure that, upon implementation of the Action Plan, the Bank achieves and maintains an adequate BSA/AML compliance program as mandated by 12 U.S.C. § 1818(s) and 12 C.F.R. Part 21, and that the Bank has processes, personnel, and control systems to implement that program in compliance with Articles IV through IX. To comply with these requirements, the Board shall:

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

- (b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (c) require corrective action to be taken in a timely manner for any non-compliance with such actions.

(3) The Action Plan shall include, at a minimum:

- (a) a comprehensive review of the Bank's BSA/AML systems and programs, including an analysis of the improvements needed to develop and maintain an adequate BSA/AML compliance program; and
- (b) a detailed schedule for the timely correction of all deficiencies identified in the comprehensive review.

(4) Upon request by the Assistant Deputy Comptroller, the Bank shall modify the Action Plan to comply with any Matters Requiring Attention concerning BSA/AML matters, or citations of violations of law concerning these matters, which the OCC may issue to the Bank following the effective date of this Consent Order.

(5) Any independent consultant or auditor engaged by the Bank or the Board to assist in the assessment of the Action Plan or other compliance with this Consent Order must have demonstrated, specialized experience with the BSA/AML matters that are the subject of the engagement, and must not be subject to any conflict of interest affecting the consultant's or auditor's independence.

ARTICLE IV

BSA/AML RISK ASSESSMENT

(1) Within ninety (90) days of the date of this Consent Order, the Bank shall review, update, and implement a written institution-wide, ongoing BSA/AML Risk Assessment that accurately identifies the BSA/AML risks posed to the Bank after consideration of all pertinent information (“Risk Assessment”). The Risk Assessment shall reflect a comprehensive analysis of the Bank’s vulnerabilities to money laundering and financial crimes activity and provide strategies to control risk and limit any identified vulnerabilities. The Risk Assessment methodology shall follow the risk assessment expectations and logic set forth in the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual* (rev. Dec. 2, 2014) (“FFIEC BSA/AML Examination Manual”) and shall include:

- (a) the identification of activities and other elements that pose BSA risk to the Bank, including the Bank’s: (i) products and services; (ii) customers and entities; (iii) transactions; (iv) countries or geographic locations; and (v) methods that the Bank uses to interact with its customers (collectively, the “specific risk categories”);
- (b) a detailed analysis of all pertinent data obtained regarding the specific risk categories, including but not necessarily limited to: (i) volumes and types of transactions and services by country or geographic location, and (ii) numbers of customers that typically pose higher BSA/AML risk, both by type of risk and by geographic location, so as to permit the Bank to revise or develop, as necessary, and implement appropriate policies, processes, and procedures to monitor and mitigate the Bank’s BSA/AML risks within

the specific risk categories. The analysis shall include an evaluation of all relevant information obtained through the Bank's Customer Identification Program ("CIP") and Customer Due Diligence Program / Enhanced Due Diligence ("CDD/EDD") Programs;

- (c) an assessment of BSA/AML risk both individually within the Bank's business lines and on a consolidated basis across all Bank activities and legal entities, so as to permit the Bank to identify accurately BSA/AML risks and risk categories within and across specific lines of business and product categories;
- (d) a provision requiring that the Risk Assessment be updated at least every twelve (12) months to identify and respond to changes in the Bank's risk profile (such as when new products or services are introduced, existing products or services change, high-risk customers open or close accounts, or the Bank expands through mergers or acquisitions);
- (e) a provision requiring maintenance of appropriate documentation, including CDD information, to support the Risk Assessment's conclusions; and
- (f) a provision requiring an independent assessment to confirm the reasonableness of the Risk Assessment to be completed within one hundred twenty (120) days after the effective date of this Consent Order.

(2) The Bank will provide the Risk Assessment updated in accordance with Paragraph (1) of this Article to the Assistant Deputy Comptroller within one hundred twenty

(120) days of the date of this Consent Order together with a copy of the independent assessment for a determination of no supervisory objection.

(3) The Board shall ensure that the Risk Assessment evaluates the adequacy of the Bank's processes, personnel, and control systems implemented to adhere to the Risk Assessment program developed pursuant to this Article.

ARTICLE V

CUSTOMER RISK IDENTIFICATION AND CDD/EDD

(1) Within sixty (60) days of the date of this Consent Order, the Board shall ensure that Bank management reviews and updates its risk-based policies and processes related to customer risk identification and CDD/EDD. These policies and processes shall include:

- (a) risk-based policy requirements regarding the risk rating of all Bank customers;
- (b) policies, procedures, and processes that outline the scope of CDD information to be collected and documented, and the ongoing analysis of such information. In addition, the CDD policies, procedures, and procedures shall include the following items:
 - i. information regarding the client's relationships with the Bank, all lines of business within the Bank, and all Bank subsidiaries. This includes accounts within other lines of business, geographic regions, and countries (as permitted by jurisdiction).
 - ii. electronic due diligence databases and other sources of due diligence data and information that are readily accessible to the relationship

manager or other parties responsible for the customer relationship, BSA/AML compliance personnel, alert analysts and investigators, and quality control personnel;

- (c) analysis and documentation of EDD, gathered to facilitate ongoing monitoring efforts for high-risk customers and accounts, to include comparison of expected customer activity with actual customer activity;
- (d) periodic review of the reasonableness and efficacy of EDD analysis and documentation;
- (e) periodic evaluations of employee knowledge of, and adherence to, Bank policies and procedures for risk rating customers and for gathering, analyzing, and documenting CDD/EDD to determine whether additional or enhanced training should be conducted; and
- (f) procedures to address cases where there is ongoing suspicious activity to ensure appropriate management review and determination of whether the customer relationship should be continued.

(2) The above CDD/EDD processes shall be implemented and a copy of the description of the processes shall be promptly submitted to the Assistant Deputy Comptroller for a written determination of no supervisory objection.

(3) The Bank shall continue to include expanded account-opening procedures for high-risk customers:

- (a) identification of all account owners and beneficial owners in compliance with applicable rules, regulations, and regulatory guidance;

- (b) documentation consistent with EDD requirements in the FFIEC BSA/AML Examination Manual; and
- (c) any other due diligence required by this Consent Order, the BSA Officer, or the Bank.

(4) The Bank shall continue to obtain the information required in the preceding paragraph (3) of this Article before renewing or modifying an existing customer's account within the scope of the preceding paragraph (3).

(5) The BSA/AML Program shall continue to include expanded due diligence reviews on existing "high risk" customers and any existing customers that are reclassified as "high risk" as a result of the requirements of this Consent Order.

ARTICLE VI

MONITORING AND REPORTING OF SUSPICIOUS ACTIVITY

(1) The Bank shall develop written policies and procedures for the appropriate identification and monitoring of transactions for suspicious activity and submit them to the Assistant Deputy Comptroller within sixty (60) days of the date of this Consent Order for a determination of no supervisory objection. These policies and procedures shall address the following:

- (a) timely identification and monitoring of transactions that pose a risk of suspicious activity under the BSA;
- (b) timely investigation and resolution of transactions that have been identified as posing a risk of suspicious activity under the BSA; and

- (c) recording, maintaining, and recalling information about transactions that pose a risk of suspicious activity under the BSA;

(2) The Bank's policies and procedures shall require the maintenance of accurate systems for all Bank areas to produce and aggregate periodic reports designed to identify unusual or suspicious activity, including patterns of activity, to monitor and evaluate unusual or suspicious activity on a consolidated basis, and to maintain accurate information needed to produce these reports, to include at a minimum:

- (a) periodic reports covering one day, a number of days, and monthly reports that differentiate transactions that pose a risk of suspicious activity under the BSA; and
- (b) periodic reports of all high-risk customer accounts that are newly-established, renewed, or modified.

(3) The Bank's policies and procedures shall provide for the application of appropriate thresholds for monitoring, both manually and using automated systems, all types of transactions, accounts, customers, products, services, and geographic areas that pose a risk of suspicious activity under the BSA. These policies and procedures shall require:

- (a) effective thresholds for filtering accounts and customers for further monitoring, review, and analyses; and
- (b) periodic testing and monitoring of thresholds for their appropriateness to the Bank's customer base, products, services, and geographic area, including maintenance of documentation supporting the Bank's methodology establishing and developing the testing thresholds.

ARTICLE VII

INDEPENDENT CONSULTANT TO REVIEW INTERNAL CONTROLS

(1) Within sixty (60) days of the date of this Consent Order, the Board shall ensure that the Bank has engaged an independent third party, in accordance with OCC Bulletin 2013-33, *Use and Review of Independent Consultants in Enforcement Actions*, to conduct a review of the effectiveness of the Bank's automated program for:

- (a) CDD/EDD; and
- (b) the processes used to determine customer risk ratings at account opening and subsequent changes in customer risk rating.

(2) The Board shall submit the following to the Assistant Deputy Comptroller for a written determination of no supervisory objection regarding the engagement of the independent consultant:

- (a) the identity of the independent consultant;
- (b) a detailed summary of its due diligence of the independent consultant;
- (c) the Bank's assessment of independence and qualifications of the independent consultant; and
- (d) a copy of the engagement contract, work plan, and scope of review.

(3) Upon completion of the independent consultant's review, the written findings shall be reported to the Board, with simultaneous copy to the Assistant Deputy Comptroller.

ARTICLE VIII

BSA/AML INDEPENDENT TESTING

(1) The Board shall ensure appropriate oversight of the BSA/AML independent testing function, whether performed by the audit staff or an independent third party, including appropriate scope, timing, and reporting, the reliability of reports, and sufficiency of follow-up testing. The Board, or a designated committee of the Board, shall

- (a) assess management's response to independent reports;
- (b) evaluate the training, qualifications, and expertise of the staff that performs the independent testing function for BSA/AML matters; and
- (c) approve an annual independent testing plan using a risk-based approach.

(2) The Board, or a designated committee of the Board, shall ensure that actions taken to remedy deficiencies cited in independent testing reports are maintained, and that appropriate staff maintains a written record describing those actions.

(3) The Board, or a designated committee of the Board, shall evaluate the reports of any party, including audit staff, providing independent testing services to the Bank, assess the impact on the Bank of any deficiencies cited in such reports, and remedy any deficiencies identified.

(4) The Bank shall implement its BSA/AML independent testing program to ensure compliance with the BSA in all areas of the Bank, including 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) perform an appropriate level of testing to support the audit findings; and
- (e) ensure adequate audit coverage in all areas.

(5) The Board, or a designated committee of the Board, shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of, and adherence to, the program developed pursuant to this Article.

(6) A copy of the independent testing program shall be promptly submitted to the Assistant Deputy Comptroller for a written determination of no supervisory objection.

ARTICLE IX

BSA/AML OVERSIGHT

(1) The Board shall ensure that the Bank’s BSA/AML Compliance department maintains sufficient personnel, including the BSA/AML Officer, who possess the requisite qualifications, training, skills, time, and authority to ensure compliance with the BSA and OFAC, 12 C.F.R. § 21.21, the Bank’s BSA/AML policies and procedures, and this Consent Order.

(2) The Board shall ensure that the Bank has a permanent and qualified BSA Officer who shall be vested with sufficient authority to fulfill the duties and responsibilities of the position.

(3) The Board retains the ultimate responsibility for ensuring that the Bank maintains BSA/AML staffing that is adequate for the size and complexity of the institution.

(4) The BSA Officer shall assess the staffing needs of the BSA/AML compliance department at least every quarter (“Quarterly Review”). This review shall encompass both the

size of the department's staff in addition to an evaluation of the qualifications, training, skills, and experience of the relevant BSA/AML personnel in the department.

(5) In the event that the BSA Officer determines during the Quarterly Review that the Bank's department staffing levels, or the staff's qualifications, training, skills, or experience, are insufficient to ensure compliance with the BSA, 12 C.F.R. § 21.21, the Bank's BSA/AML policies and procedures, or the provisions of this Consent Order, the BSA Officer shall submit an assessment ("Staffing Assessment") documenting the staffing deficiencies and weaknesses to the Board and to the Assistant Deputy Comptroller.

(6) After review of the BSA Officer's Staffing Assessment, or of any audit report issued by the Bank's internal audit or an independent third party that describes deficiencies or weaknesses in the Bank's staffing levels or in the staff's qualifications, skills, training, or experience, the Board shall take the necessary steps to correct the deficiencies or weaknesses within sixty (60) days of receipt of the relevant Staffing Assessment or audit report.

ARTICLE X

OTHER PROVISIONS

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

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any

action affecting the Bank, nothing in this Consent Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) This Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the violation of law described in the Comptroller's Findings set forth in Article I of this Consent Order. The Comptroller releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the Comptroller based on the violation described in the Comptroller's Findings set forth in Article I of this Consent Order, to the extent known to the Comptroller as of the effective date of this Consent Order. Provided, however, that nothing in the Stipulation or this Consent Order, which settles all cease and desist proceedings against the Bank based on the Comptroller's Findings set forth in Article I of this Consent Order, shall prevent the Comptroller from instituting enforcement actions other than a cease and desist order against the Bank or any of its institution-affiliated parties based on the findings set forth in this Consent Order, or any other findings. Except as provided in the preceding sentences of this paragraph, the violation described in Article I of this Consent Order may be utilized by the Comptroller in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to establish a pattern or practice of violations or unsafe or unsound practices or the continuation of a pattern or practice of violations or unsafe or unsound practices. This release shall not preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(4) This Consent Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Consent Order shall remain effective and enforceable, except to the extent that, and until such time as,

any provision of this Consent Order shall be amended, suspended, waived, or terminated in writing by the Comptroller or his authorized representative.

(5) Any time limitations imposed by this Consent Order shall begin to run from the effective date of this Consent Order, as shown below, unless the Consent Order specifies otherwise. The time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Assistant Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) The terms and provisions of this Consent Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named as parties to this Consent Order. The Bank shall integrate any activities done by a subsidiary into its plans, policies, programs, and processes required by this Consent Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Consent Order.

(7) This Consent 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 the Comptroller or the United States. Without limiting the foregoing, nothing in this Consent Order shall affect any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(8) The terms of this Consent 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 9th day of February, 2015.

/s/William D. Haas

William D. Haas

Deputy Comptroller

Midsized Bank Supervision

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

In the Matter of:)	
)	AA-EC-2014-115
)	
Cadence Bank, N.A.)	
Birmingham, Alabama)	
)	
)	

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

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to issue a cease and desist order to Cadence Bank, N.A., Birmingham, Alabama (“Bank”) pursuant to 12 U.S.C. § 1818(b), for violations of 12 C.F.R. § 21.21, an implementing regulation of the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*

WHEREAS, in the interest of cooperation, and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (“Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

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).

ARTICLE II

CONSENT

- (1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order by the Comptroller.
- (2) The terms and provisions of the Consent Order apply to Cadence Bank, National Association, Birmingham, Alabama, and all its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.
- (3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), and consents and agrees that the Consent Order shall become effective upon its execution by the Comptroller through his authorized representative, and shall be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).
- (4) 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(b), 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.

(5) 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 consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States 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.

(7) The Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the practices and violation of law described in the Comptroller's Findings set forth in Article I of the Consent Order. The Comptroller releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the Comptroller based on the violation described in the Comptroller's Findings set forth in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Provided, however, that nothing in this Stipulation or the Consent Order, which settles all cease and desist proceedings against the Bank based on the Comptroller's Findings set forth in Article I of the Consent Order, shall prevent the Comptroller from instituting enforcement actions other than a cease and desist order against the Bank or any of its institution-affiliated parties based on the findings set forth in the Consent Order, or any other findings. Except as provided in the preceding sentences of this paragraph, the practices and violation described in Article I of the

Consent Order may be utilized by the Comptroller in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to establish a pattern or practice of violations or unsafe or unsound practices or the continuation of a pattern or practice of violations or unsafe or unsound practices. This release shall not preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

(1) The Bank, by executing this Stipulation and consenting to the Consent Order, hereby waives:

- (a) Any and all rights to 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 Consent Order;
- (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), and 12 C.F.R. Part 19;
- (d) Any and all rights to seek any type of administrative or judicial review of the Consent 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 enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;

- (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity; and
- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

ELIGIBLE BANK – OTHER PROVISIONS

- (1) As a result of the Consent Order:
 - (a) The Bank is 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 Office of the Comptroller of the Currency (“OCC”);
 - (b) The Bank is not 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;
 - (c) The Bank is not 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;

- (d) The Bank's status as an "eligible bank" remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding community and economic development, unless otherwise informed in writing by the OCC; and
- (e) The Consent Order shall not be construed to be a "written agreement, order, or capital directive" within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

ARTICLE V

CLOSING

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

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

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

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

/s/Richard Fredericks
Richard Fredericks

January 19, 2015
Date

/s/William Harrison
William Harrison

January 29, 2015
Date

/s/Hank Holmes
Hank Holmes

January 29, 2015
Date

/s/Paul Murphy
Paul Murphy

January 29, 2015
Date

/s/Robert Steel
Robert Steel

January 29, 2015
Date

/s/Scott Stuart
Scott Stuart

1/29/15
Date

/s/Samuel Tortorici
Samuel Tortorici

January 29, 2015
Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

By: /s/William D. Haas

February 9 2015

William D. Haas
Deputy Comptroller
Midsize Bank Supervision

Date