

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

In the Matter of:

42 North Private Bank
Canton, Massachusetts

AA-ENF-2024-110

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over 42 North Private Bank, Canton, Massachusetts (“Bank”);

WHEREAS, the Bank (at the time, named Admirals Bank) consented to the issuance of a Consent Order on March 30, 2017, AA-EC-2016-93 (“2017 Order”), for unsafe or unsound banking practices related to credit administration, liquidity, earnings, and information technology;

WHEREAS, the OCC has determined that the Bank has attained compliance with some, but not all articles of the 2017 Order, and that new unsafe or unsound practices exist;

WHEREAS, the OCC intends to initiate cease-and-desist proceedings against the Bank pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for engaging in unsafe or unsound practices, including those relating to interest rate risk, strategic planning, capital, liquidity, and earnings;

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, by and through its duly elected and acting Board of Directors (“Board”), consents to the issuance of this Consent Order (“Order”), which is intended to replace and supersede the 2017 Order and has been amended to address the Bank’s new, remaining, and continuing unsafe or unsound

practices, by the OCC through the duly authorized representative of the Comptroller of the Currency (“Comptroller”);

NOW, THEREFORE, pursuant to the authority vested in the OCC by Section 8(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the OCC hereby orders that:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a Federal savings association within the meaning of 12 U.S.C. § 1813(q)(1)(C), and is chartered and examined by the OCC. *See* 12 U.S.C. §§ 1461 *et seq.*, 5412(b)(2)(B).

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this cease-and-desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

ARTICLE II

COMPTROLLER’S FINDINGS

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

- (1) The Bank has not attained compliance with the 2017 Order; and
- (2) The Bank is engaging in unsafe or unsound practices, including those relating to interest rate risk, strategic planning, capital, liquidity, and earnings.

ARTICLE III

COMPLIANCE COMMITTEE

(1) The Board shall maintain a Compliance Committee of at least three (3) members, of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Director for Special Supervision (“Director”) the names of the members of the Compliance Committee within ten (10) days of the date of this Order. In the event of a change of the membership, the Board shall submit in writing to the Director within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank’s compliance with the provisions of this Order. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) By February 15, 2025, and monthly thereafter or within such other time period as the Director requires in writing, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective action needed to achieve compliance with each Article of this Order;
- (b) the specific corrective actions undertaken to comply with each Article of this Order; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Director within ten (10) days of the first Board meeting following the Board’s receipt of such report.

ARTICLE IV
STRATEGIC PLAN

(1) By February 15, 2025, the Board shall submit to the Director for review and prior written determination of no supervisory objection an acceptable revised written strategic plan for the Bank, covering at least a three-year period (“Strategic Plan”). The Strategic Plan shall establish objectives for the Bank’s overall risk profile, earnings performance, growth, liability structure, and capital and liquidity adequacy, 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) the strategic goals and objectives to be accomplished, including key financial indicators, risk tolerances, and realistic strategies to improve the overall condition of the Bank;
- (c) a risk profile that evaluates credit, interest rate, liquidity, price, operational, compliance, strategic, and reputation risks in relationship to capital and earnings;
- (d) an assessment of the Bank’s strengths, weaknesses, opportunities, and threats that impact its strategic goals and objectives;
- (e) an evaluation of the Bank’s internal operations, staffing requirements, board and management information systems, policies, and procedures for their adequacy and contribution to the accomplishment of the strategic goals and objectives developed under paragraph (1)(b) of this Article;
- (f) a management employment and succession plan designed to promote

- adequate staffing and continuity of capable management;
- (g) a realistic and comprehensive budget that corresponds to the Strategic Plan's goals and objectives;
 - (h) an action plan to improve and sustain the Bank's earnings and accomplish identified strategic goals and objectives. The action plan shall include, at a minimum, a strategy for identification of the major areas in which and means to improve the Bank's operating performance by:
 - (i) performing a line-by-line review of non-interest expenses;
 - (ii) developing a plan to improve non-interest income while complying with applicable consumer compliance laws and regulations;
 - (iii) analyzing the Bank's use of technology and online presence to generate customers and revenue; and
 - (iv) analyzing executive and overall compensation;
 - (i) a financial forecast to include projections for significant balance sheet and income statement accounts and desired financial ratios over the period covered by the Strategic Plan;
 - (j) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of Article V;
 - (k) a detailed description and assessment of major capital expenditures required to achieve the goals and objectives of the Strategic Plan;
 - (l) an identification and prioritization of initiatives and opportunities, including timeframes that comply with the requirements of this Order;

- (m) a description of the Bank's target market(s), competitive factors in its identified target market(s), and controls systems to mitigate risks in the Bank's target market(s);
- (n) an identification and assessment of the present and planned product lines (assets and liabilities) and the identification of appropriate risk management systems to identify, measure, monitor, and control risks within the product lines;
- (o) concentration limits commensurate with the Bank's strategic goals and objectives and risk profile;
- (p) assigned roles, responsibilities, and accountability for the strategic planning process; and
- (q) a description of systems and metrics designed to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives.

(2) If the Strategic Plan under paragraph (1) of this Article includes a proposed 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 effect the implementation of that alternative.

(3) Within thirty (30) days following the Board's receipt of the Director's written determination of no supervisory objection to the revised Strategic Plan or to any subsequent update or amendment to the Strategic Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan. The Board shall review the effectiveness of the Strategic Plan and update the Strategic Plan to cover the next three-year period at least annually, and more frequently if necessary or if required by the OCC in writing. The Board shall amend the Strategic

Plan as needed or directed by the OCC. Any update or amendment to the Strategic Plan must be submitted to the Director for review and prior written determination of no supervisory objection.

(4) Until the Strategic Plan required under this Article has been submitted by the Bank for the Director's review, has received a written determination of no supervisory objection from the Director, and has been adopted by the Board, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed immediately before the effective date of this Order without first obtaining the Director's prior written determination of no supervisory objection to such significant deviation.

(5) The Bank may not initiate any action that significantly deviates from a Strategic Plan (that has received written determination of no supervisory objection from the Director and has been adopted by the Board) without a prior written determination of no supervisory objection from the Director.

(6) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in paragraphs (4) or (5) of this Article shall be submitted in writing to the Director at least thirty (30) days in advance of the proposed significant deviation. Such written request by the Bank shall include an assessment of the effects of such proposed change on the Bank's condition and risk profile, 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 proposed change.

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

products and services, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, asset composition and size, or funding strategy, any of which, alone or in the aggregate, may have a material effect on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material effect on the Bank's operations or financial performance.

(8) Within thirty (30) days after the end of each quarter, a written evaluation of the Bank's performance against the Strategic Plan shall be prepared by Bank management and submitted to the Board. Within thirty (30) days after submission of the evaluation, the Board shall review the evaluation and determine the corrective actions the Board will require Bank management to take to address any identified shortcomings. The Board's review of the evaluation and discussion of any required corrective actions to address any identified shortcomings shall be documented in the Board's meeting minutes. Upon completion of the Board's review, the Board shall submit to the Director a copy of the evaluation as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

ARTICLE V

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall achieve by July 1, 2025, and thereafter maintain the following minimum capital ratios as defined in 12 C.F.R. § 3.10(b) and as calculated in accordance with 12 C.F.R. Part 3¹:

¹ For purposes of the capital conservation buffer set forth at 12 C.F.R. § 3.11, the Bank's minimum total capital ratio, minimum tier 1 capital ratio, and minimum common equity tier 1 capital ratio requirements are deemed to be those that are set forth in 12 C.F.R. § 3.10.

- (a) a tier 1 capital ratio at least equal to nine percent (9%); and
- (b) a total capital ratio at least equal to thirteen percent (13%).

(2) Notwithstanding any election to use the community bank leverage ratio (“CBLR”) framework under 12 C.F.R. § 3.12, the Bank is subject to the minimum capital levels prescribed in paragraph (1) of this Article pursuant to the OCC’s authority to impose affirmative corrective actions pursuant to 12 U.S.C. § 1818(b)(6). If the Bank elects to use the CBLR framework, it must demonstrate compliance with the minimum capital levels prescribed in paragraph (1) of this Article by completing Schedule RC-R to the Consolidated Reports of Condition and Income in accordance with the instructions for Banks that have not made the CBLR framework election in addition to Schedule RC-R, CBLR.

(3) The requirement in this Order to maintain a specific capital level for any capital measure 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. § 6.4.²

(4) By February 15, 2025, the Board shall adopt an effective internal capital planning process to assess the Bank’s capital adequacy in relation to its overall risks and to ensure maintenance of appropriate capital levels, which shall in no event be less than the requirements of paragraph (1) of this Article. Thereafter, management shall implement, and the Board shall verify, no less than annually, adherence to the capital planning process. The capital planning process shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the “Capital and Dividends” booklet of the *Comptroller’s Handbook*. The Board shall document the initial capital planning

² The Bank may not solicit, accept, renew, or roll over any brokered deposit (as defined in 12 C.F.R. § 337.6(a)(2)) except in compliance with the applicable restrictions of 12 U.S.C. § 1831f and 12 C.F.R. § 337.6.

process and thereafter review and document the capital planning process at least annually or more frequently, if appropriate, or required by the Director in writing.

(5) By February 15, 2025, the Board shall submit to the Director for review and prior written determination of no supervisory objection an acceptable revised written capital plan for the Bank, consistent with the Strategic Plan required by Article IV, covering at least a three-year period (“Capital Plan”). Refer to “Capital and Dividends” booklet of the *Comptroller’s Handbook*.

(6) The Bank’s Capital Plan shall, at a minimum:

- (a) include specific plans for the achievement and maintenance of adequate capital, which shall in no event be less than the requirements of paragraph (1) of this Article;
- (b) identify and evaluate all material risks;
- (c) determine the Bank’s capital needs in relation to material risks and strategic direction;
- (d) identify and establish a strategy to strengthen capital and establish a contingency capital plan commensurate with the Bank’s overall risk and complexity;
- (e) include detailed quarterly financial projections which shall be consistent with the Strategic Plan required by Article IV; and
- (f) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order that will have an impact on the Bank’s capital.

(7) The Bank may declare or pay a dividend or make a capital distribution only:

- (a) when the Bank is in compliance with its Board-approved Capital Plan and would remain in compliance with such Capital Plan immediately following the declaration or payment of any dividend or capital distribution;
- (b) when the dividend or capital distribution would comply with 12 U.S.C. § 1831o(d)(1) and 12 C.F.R. §§ 3.11(a)(4) and 5.55; and
- (c) following the Director's prior written determination of no supervisory objection to the dividend or capital distribution.

(8) The Bank shall not pay any directors' fees unless the Bank is in compliance with the minimum capital ratios identified in paragraph (1) of this Article and would remain in compliance with those ratios immediately following the payment of directors' fees.

(9) Within thirty (30) days following receipt of the Director's written determination of no supervisory objection to the Bank's Capital Plan or to any subsequent amendment to the Capital Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Capital Plan. The Board shall review the effectiveness of the Capital Plan at least annually, no later than January 31 each year, and more frequently if necessary or if required by the OCC in writing, and amend the Capital Plan as needed or directed by the OCC. Any amendment to the Capital Plan must be submitted to the Director for review and prior written determination of no supervisory objection.

(10) At least monthly, the Board shall review financial reports and earnings analyses that evaluate the Bank's performance against the goals and objectives established in the Capital Plan, as well as the Bank's written explanation of significant differences between the actual and

projected balance sheet, income statement, and expense accounts, including a description of any extraordinary and/or nonrecurring items. This review shall include a description of the actions the Board and management will take to address any deficiencies. At least quarterly, management shall prepare, and the Board shall review, a written evaluation of the Bank's performance against the Capital Plan, which shall include a description of the actions the Board and management will take to address any deficiencies. The Board's quarterly reviews and quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall forward a copy of these monthly reviews and quarterly written evaluations and Board meeting minutes to the Director within ten (10) days of completion of its monthly reviews and quarterly written evaluations, respectively.

(11) If the Bank fails to achieve and maintain the capital ratios required by paragraph (1) of this Article, or fails to submit a Capital Plan as required by paragraph (5) of this Article, or fails to implement a Capital Plan to which the Director has provided a written determination of no supervisory objection, then the Bank may, in the Director's sole discretion, be deemed undercapitalized for purposes of this Order. Following written notification from the Director that the Bank is deemed undercapitalized for purposes of this Order, the Bank shall take such corrective measures as the OCC may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C. § 1831o(e)(5) shall include restoration of the Bank's capital to the minimum ratios required by paragraph (1) of this Article, and any other action deemed necessary by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

ARTICLE VI

INTEREST RATE RISK MANAGEMENT

(1) By February 15, 2025, the Board shall adopt a written Interest Rate Risk Program (“IRR Program”). Refer to the “Interest Rate Risk,” booklet of the *Comptroller’s Handbook*; OCC Bulletin 2010-1, “Interagency Advisory on Interest Rate Risk Management,” (Jan. 2010); OCC Bulletin 2012-5, “Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management,” (Jan. 2012); and “Model Risk Management,” booklet of the *Comptroller’s Handbook* for more information.

(2) The IRR Program will also include risk management systems to identify, measure, monitor, and control interest rate risk (“IRR”), to include at a minimum:

- (a) requirements for the retention or addition of qualified personnel with sufficient authority and responsibility to manage and monitor IRR;
- (b) additional and ongoing training for the Board and all personnel involved with the IRR Program or otherwise involved with managing or monitoring IRR;
- (c) the establishment of formal policies, procedures, and governance commensurate with the Bank’s complexity and business activities, to include:
 - (i) the establishment of IRR appetite and risk management objectives with specific approved and prohibited strategies for managing IRR;
 - (ii) standards for measuring and monitoring IRR;
 - (iii) the frequency of IRR measurement;

- (iv) determinations of how the Bank will measure the *quality* of IRR management; and
 - (v) procedures to monitor, escalate, and address any breaches of established IRR limits;
- (d) the establishment of risk monitoring processes to provide sufficient information on which to base sound IRR management decisions from both an earnings and economic perspective with recognition and consideration of all risks (repricing, basis, yield-curve, and options), to include:
- (i) limits and triggers on IRR exposures that considers the Bank's risk appetite, complexity of operations, earnings performance, liquidity position, and capital adequacy; and
 - (ii) IRR reporting standards and procedures that specify the frequency and types of reports senior management and the Board will use to monitor the Bank's IRR that address:
 - a. the level and trends of aggregate Bank IRR exposure;
 - b. whether management's strategies are within the Bank's established risk appetite and policy;
 - c. the sensitivity of any key assumptions;
 - d. whether the Bank holds sufficient capital for its level of IRR; and
 - e. whether management's major interest rate strategies balance risk with reward, including at a minimum, an

evaluation of a potential adverse rate movement against the potential rewards of a favorable rate movement;

- (e) adequate and documented support for the reasonableness of assumptions used in the Bank's IRR model;
- (f) periodic review and adjustment, when there are material changes to the Bank's balance sheet and otherwise, as needed, of the assumptions and inputs used in the Bank's IRR model, that includes sensitivity analysis and model stress testing, with appropriate documentation and governance that requires approval for changes;
- (g) procedures that require the Board to review and discuss, on at least a quarterly basis, the model test results required by this Article; and
- (h) an annual review of the Bank's adherence to the IRR Program.

(3) Upon adoption of the IRR Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the IRR Program. The Board shall review the effectiveness of the IRR Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the IRR Program as needed or directed by the OCC. The Board shall forward a copy of the adopted IRR program, and any subsequent amendments thereto, to the Director within ten (10) days of adoption.

ARTICLE VII

LIQUIDITY RISK MANAGEMENT

(1) By February 15, 2025, the Bank shall review, revise, and adopt an acceptable written Liquidity Risk Management Program ("Liquidity Program"). The Liquidity Program

shall provide for the identification, measurement, monitoring, and control of the Bank’s liquidity risk exposure, and shall emphasize the importance of cash flow projections, diversified funding sources, a cushion of highly liquid assets, robust liquidity stress testing scenario analyses, and a formal, well-developed contingency funding plan as primary tools for measuring and managing liquidity risk. Refer to the “Interagency Policy Statement on Funding and Liquidity Risk Management,” dated March 22, 2010, (OCC Bulletin 2010-13); the “Addendum to the Interagency Policy Statement on Funding and Liquidity Risk Management: Importance of Contingency Funding Plans,” dated July 28, 2023; and the “Liquidity” booklet of the Comptroller’s Handbook, for more information.

(2) In addition to the general requirements set forth above, the Bank’s Liquidity Program shall, at minimum:

- (a) include appropriate policies and procedures for identifying, measuring, monitoring, and controlling liquidity risk exposures, that includes at a minimum:
 - (i) assignment of accountability and processes for monitoring and managing intraday liquidity;
 - (ii) procedures to ensure that sufficient funds or access to funds exist to meet such cash flow needs under both expected and adverse conditions, including an adequate cushion to meet any unanticipated cash flow needs; and
 - (iii) procedures and reporting to assess the risks related to deposit runoff, rollovers, wholesale, and alternative funding sources;
- (b) identify appropriate funding strategies and provide limits to manage and

control liquidity risk that are commensurate with the Bank's complexity and business activities that considers internal and external factors that could affect the Bank's liquidity, that include at a minimum:

- (i) minimum levels of highly liquid assets;
 - (ii) minimum levels of committed and collateralized contingent funding sources to meet funding needs in both expected and adverse conditions, which are periodically tested to verify availability and operational capabilities;
 - (iii) limits or triggers on the structure of short-term and long-term funding of the Bank's asset base, under both normal and stressed conditions;
 - (iv) limitations on funding concentrations and other strategies to ensure diversification of funding sources; and
 - (v) limitations on contingent liabilities in aggregate and by individual category;
- (c) provide adequate risk measurement and monitoring systems, including processes and reporting to assess, on an ongoing basis, the Bank's current and projected funding needs, including the development of cash flow projections under both expected and adverse conditions, and considering the changes in depositor behavior, interest rates, and capital levels;
- (d) detail action plans to identify and obtain sources of liquidity, including loan sales, investment liquidation and other asset sales, to meet projected shortfalls from existing sources; and

- (e) require management to prepare, on a monthly basis, liquidity risk management reports that provide sufficient liquidity information over at least a one-year time horizon to enable the Board and Asset Liability Committee to recognize longer-term liquidity needs.

(3) Upon adoption of the Liquidity Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Liquidity Program and any amendments thereto. The Board shall review the effectiveness of the Liquidity Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. The Board shall forward a copy of the adopted Liquidity Program, and any subsequent amendments thereto, to the Director within ten (10) days of adoption.

ARTICLE VIII

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Order, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Order.

(2) In each instance in which this Order imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Order;

- (b) ensure the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Order;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Order;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Order;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Order; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE IX

WAIVERS

- (1) The Bank, by executing and consenting to this Order, waives:
 - (a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;
 - (b) any and all procedural rights available in connection with the issuance of this Order;
 - (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 109;

- (d) any and all rights to seek any type of administrative or judicial review of this Order;
- (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this 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 these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings 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 this Order.

ARTICLE X

OTHER PROVISIONS

(1) As a result of this Order, pursuant to 12 C.F.R. § 5.51(c)(7)(ii), the Bank is in “troubled condition,” and is not an “eligible savings association” for purposes of 12 C.F.R. § 5.3 unless otherwise informed in writing by the OCC.

(2) This Order supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3 and 5.51(c)(7)(ii).

ARTICLE XI

CLOSING

(1) This Order is a settlement of the cease-and-desist proceedings against the Bank contemplated by the OCC, based on the unsafe or unsound practices described in the

Comptroller's Findings set forth in Article II of this Order. The OCC 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 OCC based on the practices described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. The OCC expressly reserves its right to assess civil money penalties or take other enforcement actions if the OCC determines that the Bank has continued, or failed to correct, the practices described in Article II of this Order or that the Bank otherwise is violating or has violated this Order.

(2) Nothing in this Order shall prevent the OCC from:

- (a) instituting enforcement actions other than a cease-and-desist order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings, including if the OCC determines that the Bank has continued, or failed to correct, the practices described in Article II of this Order or that the Bank otherwise is violating or has violated this Order;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or
- (d) utilizing the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(3) Nothing in this Order is 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.

- (4) This Order is:
 - (a) a “cease-and-desist order issued upon consent” within the meaning of 12 U.S.C. § 1818(b);
 - (b) a “cease-and-desist order which has become final” within the meaning of 12 U.S.C. § 1818(e);
 - (c) an “order issued with the consent of the depository institution” within the meaning of 12 U.S.C. § 1818(h)(2);
 - (d) an “effective and outstanding . . . order” within the meaning of 12 U.S.C. § 1818(i)(1); and
 - (e) a “final order” within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(5) This Order is effective upon its issuance by the OCC, through the Comptroller’s duly authorized representative. Except as otherwise expressly provided herein, all references to “days” in this Order shall mean calendar days and the computation of any period of time imposed by this Order shall not include the date of the act or event that commences the period of time.

(6) The provisions of this Order shall remain effective except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller’s duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Order, the Board or a Board-designee shall submit a written request to the Director asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in

detail the circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Order, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(7) The Bank will not be deemed to be in compliance with this Order until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Order; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time for the Bank to demonstrate the sustained effectiveness of the corrective actions.

(8) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

(9) Each citation, issuance, or guidance referenced in this Order includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(10) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of this Order.

(11) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded via email to the Director.

(12) 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.

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

/s/

1/30/2025

Julie A. Thieman
Director for Special Supervision
Office of the Comptroller of the Currency

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of 42 North Private Bank have hereunto set their signatures on behalf of the Bank.

/s/

1/30/25

Brian Barefoot

Date

/s/

2/2/25

Churchill G. Franklin

Date

/s/

1/30/25

Seth A. Kurland

Date

/s/

1/30/25

Hope W. Lundt

Date

/s/

1/30/25

Rocco Maggiotto

Date

/s/

1/30/25

Jack Thompson

Date

/s/

1/31/25

Laura Trust

Date