

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: SE-10-046
)	
)	
GIBRALTAR PRIVATE BANK)	Effective Date: October 15, 2010
AND TRUST COMPANY)	
)	
Coral Gables, Florida)	
OTS Docket No. 08007)	
_____)	

ORDER TO CEASE AND DESIST

WHEREAS, Gibraltar Private Bank and Trust Company, Coral Gables, Florida, OTS Docket No. 08007 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Southeast Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association, its institution-affiliated parties,¹ and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or aiding and abetting the unsafe or unsound banking practices that resulted in operating:

- (a) the Association with an ineffective Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) compliance program;
- (b) the Association with an excessive level of adversely classified loans or assets, delinquent loans, and nonaccrual loans;
- (c) with an asset liability policy that does not address all requirements of the Interagency Policy Statement on Funding and Liquidity Risk Management contained in CEO Memorandum No. 342 (March 17, 2010); and
- (d) in contravention of supervisory policy statements and other regulatory guidance, including, but not limited to:
 - (i) Interagency Guidelines Establishing Standards for Safety and Soundness;
 - (ii) Interagency Guidelines for Real Estate Lending Policies; and
 - (iii) Federal Financial Institutions Examination Council Bank Secrecy Act/Anti-Money Laundering Examination Manual.

2. The Association, its institution-affiliated parties, and its successors and assigns, shall also cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or aiding and abetting violations of the following laws and regulations:

¹ The term “institution-affiliated party” is defined at 12 U.S.C. § 1813(u).

- (a) 12 C.F.R. § 563.177(c)(1);
- (b) 12 C.F.R. § 563.177(c)(4);
- (c) 12 C.F.R. § 563.180(d)(3)(iv)(C);
- (d) 12 C.F.R. § 563.180(d)(5);
- (e) 12 C.F.R. § 563.180(d)(10); and
- (f) 12 C.F.R. § 563.180(d)(12).

BSA/AML Compliance Program.

3. Within sixty (60) days, the Association shall revise its policies, procedures and systems related to the BSA/AML laws and regulations (BSA/AML Compliance Program) to address all corrective actions set forth in the May 5, 2010 Report of Examination (2010 ROE). The Association's BSA/AML Compliance Program shall comply with all applicable BSA/AML Laws and Regulations² and regulatory guidance, and, at a minimum, provide for:

- (a) a review of the Association's BSA/AML Compliance Program on an annual basis to determine whether changes in such program may be necessary to adjust to changes in:
 - (i) the BSA/AML Laws and Regulations and OFAC Regulations; and (ii) the Association's operations that may impact its compliance with the BSA/AML Laws and Regulations and OFAC Regulations. Within sixty (60) days of completing its annual review of the BSA/AML Compliance Program, the Association shall update its BSA/AML Compliance Program and send a copy of its updated BSA/AML Compliance Program to the Regional Director;

² BSA/AML Laws and Regulations include, but are not limited to, the Currency and Foreign Transactions Reporting Act, as amended by the USA PATRIOT Act and other laws (the Bank Secrecy Act or BSA), 31 USC §§ 5311 et seq., and the related regulations issued and/or administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), 31 CFR §§ 103.11 et seq., the related BSA regulations issued by OTS, 12 CFR §§ 563.177 and 563.180 (collectively the BSA Laws and Regulations), and the Office of Foreign Assets Control (OFAC) regulations set forth at 31 CFR Part 500 (the OFAC Regulations).

(b) a full-time officer or employee who shall: (i) be designated as the Association's BSA/AML Compliance Officer; (ii) report to the Audit Committee of the Board, and (iii) actively manage, coordinate and monitor the Association's day-to-day compliance with the BSA/AML Laws and Regulations and OFAC Regulations and the Association's BSA/AML Compliance Program. The BSA/AML Compliance Officer shall have sufficient authority, expertise, competency, and resources to perform his or her assigned BSA/AML responsibilities;

(c) annual BSA/AML training for all Association personnel whose duties require knowledge of the BSA/AML Laws and Regulations and OFAC Regulations that is appropriate to their duties and responsibilities. Further, the Association shall provide BSA/AML training for the Board that, at a minimum, covers the importance of the BSA/AML Laws and Regulations and OFAC Regulations, the ramifications of noncompliance with such laws and regulations, and the risks posed to the Association by noncompliance. The Association shall maintain documentation of all BSA/AML training, including but not limited to, materials sufficient to identify the dates the training was conducted, the topics covered and the attendees;

(d) implementation of a system that allows for the effective daily aggregation of multiple transactions and the proper filing of a Currency Transaction Report (CTR) pursuant to 31 C.F.R. § 103.22(c)(2) and 12 C.F.R. § 563.177(c)(1);

(e) a Customer Identification Policy (CIP Policy) that has adequate customer due diligence (CDD) policies, procedures and processes to identify customers with heightened BSA/AML risk, including, but not limited to, non-U.S. resident accounts, commercial and business accounts, customers with significant wire transfer activity, and

customers generating CTRs within any 12-month period (Higher Risk Customers). The Association shall maintain current customer profiles for Higher Risk Customers and engage in enhanced due diligence and monitoring of Higher Risk Customer accounts and transactions;

(f) a CIP Policy that complies with all applicable laws, regulations, and regulatory guidance including, but not limited to, 31 C.F.R. § 103.121 and 12 C.F.R. 563.177(b).

The Association shall timely obtain and maintain appropriate customer documentation as required by all applicable laws, regulations and regulatory guidance;

(g) an annual independent test of its BSA/AML Compliance Program by a qualified independent employee or independent third party, to ensure the Association's compliance with all applicable BSA/AML Laws and Regulations and OFAC Regulations (BSA Independent Testing). BSA Independent Testing must be: (i) performed with an appropriate level of frequency per applicable regulations; (ii) fully documented; and (iii) conducted with an appropriate segregation of duties;

(h) a system of internal controls to comply with the BSA/AML Laws and Regulations and the OFAC Regulations. Such internal controls must include written policies, procedures, and processes to monitor all transactions: (i) for full compliance with the BSA/AML Laws and Regulations and the OFAC Regulations; and (ii) to timely report any suspicious transactions and activity;

(i) a thorough assessment of the Association's BSA/AML risk exposure (the BSA/AML Risk Assessment), based upon the specific products, services, customers, entities, and geographic locations of the Association that may expose it to money laundering, terrorism financing, or other illegal activities, taking into consideration

information collected from the Association's CIP Policy and CDD, in accordance with the BSA/AML matrix set forth in Appendix J of the FinCEN BSA/AML Examination Manual. The BSA/AML Risk Assessment shall identify the number of accounts that are potentially medium or high risk, and describe the basis for such determination; and

(j) a system to ensure that transactions are monitored and that all suspicious transactions and activity are reported to FinCEN in compliance with 31 C.F.R. § 103.18 and 12 C.F.R. § 563.180(d). The Association shall monitor, assess, and review the effectiveness of its investigative procedures related to suspicious transactions and activity and its rationale to file, or not file, a Suspicious Activity Report (SAR). The Association shall maintain supporting documentation for all filed SARs and decisions made to not file a SAR.

4. Within thirty (30) days, the Association shall engage a qualified independent third party (Consultant), acceptable to the Regional Director, to conduct a review of all account and/or customer relationships established on or after January 1, 2009 (Relevant Relationships) for compliance with the BSA/AML Laws and Regulations and OFAC Regulations (BSA Account Review). The Consultant shall identify all Relevant Relationships that are in violation of the BSA/AML Laws and Regulations and OFAC Regulations and, within ninety (90) days after the Effective Date of this Order, prepare a written report (Look Back Report) that, at a minimum:

(a) identifies and provides details for all Relevant Relationships that were or are not in compliance with the BSA/AML Laws and Regulations and OFAC Regulations; and

(b) sets forth corrective actions with respect to each Relevant Relationship identified.

5. Within thirty (30) days after receipt of the Look Back Report, the Association shall implement corrective actions to ensure that all Relevant Relationships noted in the Look Back

Report comply with the BSA/AML Laws and Regulations and OFAC Laws and Regulations. A copy of the BSA/AML and OFAC Look Back Report, including the status of any corrective actions taken, shall be provided to the Regional Director within ten (10) days of its completion.

6. Within sixty (60) days, the Board shall submit its revised BSA/AML Compliance Program to the Regional Director for review and non-objection. Within thirty (30) days of receipt written notification of non-objection from the Regional Director, the Board shall adopt and ensure that the Association implements and adheres to the revised BSA/AML Compliance Program.

7. Within sixty (60) days, the BSA Officer shall submit a written report to the Board that discusses the adequacy of the Association's BSA resources and staff given the Association's risk profile and the volume and nature of transactions (BSA Report). The BSA Report shall set forth the BSA Officer's finding and recommendations, including identification of additional staff or resource needs. A copy of the BSA Report shall be provided to the Regional Director within ten (10) days after completion.

Problem Assets.

8. Within sixty (60) days, the Association shall develop a detailed, written plan with specific strategies, targets and timeframes to reduce³ the Association's level of problem assets⁴ (Problem Asset Reduction Plan). The Problem Asset Reduction Plan, at a minimum, shall include:

- (a) quarterly targets for the level of problem assets as a percentage of Tier 1 (Core) capital plus allowance for loan and lease losses (ALLL);

³ For purposes of this Paragraph, "reduce" means to collect, sell, charge off, or improve the quality of an asset sufficient to warrant its removal from adverse criticism or classification.

⁴ The term "problem assets" shall include all classified assets, assets designated special mention, and nonperforming assets.

(b) a description of the methods for reducing the Association's level of problem assets to the established targets; and

(c) all relevant assumptions and projections.

9. Within seventy (70) days, the Association shall submit its Problem Asset Reduction Plan to the Regional Director for review and non-objection. Upon receipt of written non-objection from the Regional Director, the Association shall implement and adhere to the Problem Asset Reduction Plan.

10. Within sixty (60) days, the Association shall develop individual written specific workout plans for each problem asset or group of loans to any one borrower or loan relationship of One Million Dollars (\$1,000,000.00) or greater (Asset Workout Plans).

11. Within sixty (60) days after the end of each quarter, beginning with the quarter ending December 31, 2010, the Association shall submit a quarterly written asset status report (Quarterly Asset Report) to the Board. The Board's review of the Quarterly Asset Report shall be documented in the Board meeting minutes. The Quarterly Asset Report shall include, at a minimum:

(a) the current status of all Asset Workout Plans;

(b) a comparison of problem assets to Tier 1 (Core) capital plus ALLL and Total Risk-Based capital;

(c) a comparison of problem assets at the current quarter end with the preceding quarter;

(d) a breakdown of problem assets by type and risk factor;

(e) an assessment of the Association's compliance with the Problem Asset Reduction Plan;

(f) a discussion of the actions taken during the preceding quarter to reduce the Association's level of problem assets; and

(g) any recommended revisions or updates to the Problem Asset Reduction Plan.

12. Within sixty (60) days after the end of each quarter, beginning with the quarter ending December 31, 2010, a copy of the Quarterly Asset Report shall be provided to the Regional Director.

Internal Asset Review and Classification.

13. Within sixty (60) days, the Association shall revise its written internal asset review and classification program (IAR Program) to address all corrective actions set forth in the 2010 ROE relating to internal asset review, loan portfolio monitoring and asset classification. The IAR Program shall comply with all applicable laws, regulations and regulatory guidance and at a minimum, shall:

(a) provide for a more detailed stratification analysis of the homogeneous loan portfolios to include performance measures such as delinquency and charge off information; and

(b) provide for the monitoring of trends in the various risk layers (i.e.; vintage, occupancy, geographic location, etc.).

Liquidity Management.

14. Within sixty (60) days, the Association shall revise its liquidity and funds management policy (Liquidity Management Policy) to ensure the Liquidity Management Policy includes a Contingency Funding Plan and complies with all applicable laws, regulations and regulatory guidance including, but not limited to, the Interagency Policy Statement on Funding and Liquidity Risk Management contained in CEO Memorandum No. 342 (March 17, 2010).

15. Within sixty (60) days, the Association shall submit its Liquidity Management Policy to the Regional Director for review and comment. Upon receipt of written non-objection from the Regional Director, the Association shall implement and adhere to the Liquidity Management Policy. The Board's review of the Liquidity Management Policy shall be documented in the Board meeting minutes. A copy of the Liquidity Management Policy shall be provided to the Regional Director within ten (10) days of adoption by the Board.

Growth.

16. Effective immediately, the Association shall not increase its total average assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the prior quarter without the prior written notice of non-objection of the Regional Director.

Brokered Deposits.

17. Effective immediately, the Association shall comply with the requirements of 12 C.F.R. § 337.6(b).

18. Within thirty (30) days, the Association shall submit a detailed brokered deposit reduction plan (Brokered Deposit Plan) to the Regional Director for review and non-objection.

At a minimum, the Brokered Deposit Plan shall include:

- (a) a detailed description of the current level and composition of the Association's brokered deposits, including the source of each deposit and its maturity date;
- (b) comprehensive cash flow and brokered deposit projections forecasting funding needs and sources for each calendar quarter covered by the Brokered Deposit Plan; and
- (c) detailed strategies to reduce the current level of brokered deposits, which shall include target dates and amounts and monthly reports to the Board regarding the Association's compliance with established target dates and amounts.

19. Upon receipt of written non-objection from the Regional Director, the Association shall implement and adhere to the Brokered Deposit Plan.

20. Any modifications to the Brokered Deposit Plan must receive the prior written non-objection of the Regional Director. The Association shall submit any proposed modifications to the Regional Director at least forty-five (45) days prior to implementation of any modifications.

21. Within forty-five (45) days after the close of each quarter, beginning with the quarter ending December 31, 2010, the Board shall review quarterly variance reports on the Association's compliance with the Brokered Deposit Plan (Brokered Variance Reports). A copy of the Brokered Variance Reports shall be provided to the Regional Director within ten (10) days after the Board meeting.

Directorate and Management Changes.

22. Effective immediately, the Association shall comply with the prior notification requirements for Changes in Directors and Senior Executive Officers⁵ set forth in 12 C.F.R. Part 563, Subpart H.

Dividends and Other Capital Distributions.

23. Effective immediately, the Association shall not declare or pay dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 563.141, without receiving the prior written approval of the Regional Director in accordance with applicable regulations and regulatory guidance. The Association's written request for approval shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed declaration, dividend payment or distribution of capital.

⁵ The term "Senior Executive Officer" is defined at 12 C.F.R. § 563.555.

Employment Contracts and Compensation Arrangements.

24. Effective immediately, the Association shall not enter into, renew, extend or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement or arrangement submitted to the Regional Director fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570 – Appendix A, and the Interagency Guidance on Sound Incentive Compensation Policies contained in OTS Chief Executive Officer Memorandum No. 354.

25. Within thirty (30) days, the Association shall terminate or renegotiate any employment agreements with terms that do not conform with all applicable OTS policies and guidance, including that contained in OTS Examination Handbook Section 310 and 12 C.F.R. §563.39.

Golden Parachute and Indemnification Payments.

26. Effective immediately, the Association shall not make any golden parachute payment⁶ or prohibited indemnification payment⁷ unless, with respect to each such payment, the Association has complied with the requirements of 12 C.F.R. Part 359 and, as to indemnification payments, 12 C.F.R. § 545.121.

⁶ The term “golden parachute payment” is defined at 12 C.F.R. § 359.1(f).

⁷ The term “prohibited indemnification payment” is defined at 12 C.F.R. § 359.1(l).

Third Party Contracts.

27. Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial condition of the Association⁸ or outside the Association's normal course of business unless, with respect to each such contract, the Association has: (a) provided the Regional Director with a minimum of thirty (30) days prior written notice of such arrangement or contract and a written determination that the arrangement or contract complies with the standards and guidelines set forth in Thrift Bulletin 82a; and (b) received written notice of non-objection from the Regional Director.

Violations of Law.

28. Within thirty (30) days, the Association shall ensure that all violations of law and/or regulation discussed in the 2010 ROE are corrected and that adequate policies, procedures and systems are implemented to prevent future violations.

Board Oversight of Compliance with Order.

29. Within thirty (30) days, the Board shall designate a committee to monitor and coordinate the Association's compliance with the provisions of this Order and the completion of all corrective actions required in the 2010 ROE (Oversight Committee). The Oversight Committee shall be comprised of four (4) or more directors, the majority of whom shall be independent⁹ directors.

⁸ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two percent (2%) of the Association's total capital, where there is a foreign service provider, or where it involves information technology that is critical to the Association's daily operations without regard to the contract amount.

⁹ For purposes of this Order, an individual who is "independent" with respect to the Association shall be any individual who:

30. Within sixty (60) days after the end of each quarter, beginning with the quarter ending September 30, 2010, the Oversight Committee shall submit a written compliance progress report to the Board (Compliance Tracking Report). The Compliance Tracking Report shall, at a minimum:

- (a) separately list each corrective action required by this Order and the 2010 ROE;
- (b) identify the required or anticipated completion date for each corrective action; and
- (c) discuss the current status of each corrective action, including the action(s) taken or to be taken to comply with each corrective action.

31. Within sixty (60) days after the end of each quarter, beginning with the quarter ending September 30, 2010, the Board shall review the Compliance Tracking Report and all reports required to be prepared by this Order. Following its review, the Board shall adopt a resolution:

(a) certifying that each director has reviewed the Compliance Tracking Report and all required reports; and (b) documenting any corrective actions adopted by the Board. A copy of the Compliance Tracking Report and the Board resolution shall be provided to the Regional Director within ten (10) days after the Board's review of the Compliance Tracking Report.

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- (a) is not employed in any capacity by the Association or Holding Company, its subsidiaries, or its affiliates, other than as a director;
 - (b) does not own or control more than ten percent (10%) of the outstanding shares of the Association, Holding Company or any of its affiliates;
 - (c) is not related by blood or marriage to any officer or director of the Association, Holding Company or any of its affiliates, or to any shareholder owning more than ten percent (10%) of the outstanding shares of the Association, Holding Company or any of its affiliates, and who does not otherwise share a common financial interest with any such officer, director or shareholder;
 - (d) is not indebted, directly or indirectly, to the Association, Holding Company or any of its affiliates, including the indebtedness of any entity in which the individual has a substantial financial interest, in an amount exceeding ten percent (10%) of the Association's total Tier 1 (Core) capital; and
 - (e) has not served as a consultant, advisor, underwriter, or legal counsel to the Association, Holding Company or any of its affiliates.

32. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Order. The Board shall review and adopt all policies and procedures required by this Order prior to submission to the OTS.

Effective Date, Incorporation of Stipulation.

33. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

34. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

35. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

36. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

37. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

38. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- (a) To the OTS:
Regional Director
Office of Thrift Supervision
1475 Peachtree St., N.E.
Atlanta, Georgia 30309
404.897.1861 (Fax)

- (b) To the Association:
Board of Directors
c/o Steven D. Hayworth, Chairman of the Board
Gibraltar Private Bank & Trust Co.
220 Alhambra Circle, Fifth Floor
Coral Gables, Florida 33134

No Violations Authorized.

39. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/
James G. Price
Regional Director, Southeast Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: SE-10-046
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GIBRALTAR PRIVATE BANK)	Effective Date: October 15, 2010
AND TRUST COMPANY)	
)	
Coral Gables, Florida)	
OTS Docket No. 08007)	
_____)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Southeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Gibraltar Private Bank and Trust Company, Coral Gables, Florida, OTS Docket No. 08007 (Association), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1 and 2

below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on its May 5, 2010 examination of the Association (2010 ROE), the OTS finds that the Association has engaged in unsafe or unsound banking practices including, but not limited to, operating:

(a) the Association with an ineffective Bank Secrecy Act/Anti-Money Laundering compliance program;

(b) the Association with an excessive level of adversely classified loans or assets, delinquent loans, and nonaccrual loans;

(c) with an asset liability policy that does not address all requirements of the Interagency Policy Statement on Funding and Liquidity Risk Management contained in CEO Memorandum No. 342 (March 17, 2010); and

(d) in contravention of supervisory policy statements and other regulatory guidance, including, but not limited to:

- (i) Interagency Guidelines Establishing Standards for Safety and Soundness;
- (ii) Interagency Guidelines for Real Estate Lending Policies; and
- (iii) Federal Financial Institutions Examination Council *Bank Secrecy Act/Anti-Money Laundering Examination Manual*.

4. Based on its 2010 ROE of the Association, the OTS finds that the Association has engaged in violations of law and regulation, including:

- (a) 12 C.F.R. § 563.177(c)(1);
- (b) 12 C.F.R. § 563.177(c)(4);
- (c) 12 C.F.R. § 563.180(d)(3)(iv)(C);
- (d) 12 C.F.R. § 563.180(d)(5);
- (e) 12 C.F.R. § 563.180(d)(10); and
- (f) 12 C.F.R. § 563.180(d)(12).

Consent.

5. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. The Association waives the following:

- (a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

9. The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

15. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

WHEREFORE, the Association, by its directors, executes this Stipulation.

Accepted by:

GIBRALTAR PRIVATE BANK
Coral Gables, Florida

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Steven D. Hayworth
Chairman

By: _____ /s/
James G. Price
Regional Director, Southeast Region

Date: See Effective Date on page 1

_____/s/
Gail Birks, Director

_____/s/
Eduardo Cisneros, Director

_____/s/
Robert Dickinson, Director

_____/s/
James Dyke, Director

_____/s/
Russell Galbut, Director

_____/s/
Jeremy Hubball, Director

_____/s/
David Kirkland, Director

_____/s/
Ronald G. Stone, Director