

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

In the Matter of:)	
)	
)	AA-EC-10-17
Wachovia Bank, National Association)	
Charlotte, North Carolina)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted an examination and investigation of the foreign correspondent banking activities of Wachovia Bank, National Association, Charlotte, North Carolina (“Bank” or “Wachovia”) and has identified deficiencies in this area’s internal controls, particularly with regard to Bank Secrecy Act and anti-money laundering (“AML”) compliance. The findings of the examination and investigation have been made known to the 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 March 12, 2010 (“Stipulation”), that is accepted by the Comptroller. By this Stipulation, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order (“Consent Order”) by the Comptroller. The Bank, by consenting to the issuance of this Consent Order, is committing to take the necessary steps to address deficiencies and enhance the Bank’s Bank Secrecy Act and AML policies and procedures over foreign correspondent banking activities.

ARTICLE I

COMPTROLLER'S FINDINGS

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

- (1) This Consent Order is the result of deficiencies and violations identified by the OCC that occurred at Wachovia primarily during the period of 2005 to 2007. Specifically, Wachovia:
 - (a) failed to implement adequate policies, procedures, or monitoring controls governing the repatriation of nearly \$14 billion of USD bulk cash for high risk casa de cambio ("CDC") and other foreign correspondent customers (over \$10 billion coming from Mexico into the United States);
 - (b) failed to conduct monitoring of high volumes of monetary instruments flowing through the CDCs and other foreign correspondent accounts in the form of Remote Deposit Capture ("RDC") products, consisting of nearly six million checks worth approximately \$41 billion;
 - (c) failed to conduct adequate levels of due diligence of high risk CDC and foreign correspondent customers;
 - (d) failed to appropriately monitor traveler's checks in a manner that was consistent with the Bank's policy limits over sequentially numbered traveler's checks for high risk CDC customers;
 - (e) failed to appropriately institute risk-based monitoring of the Bank's foreign correspondent customers, primarily as a result of placing too much emphasis on staffing considerations when setting alert parameters;
 - (f) failed to file timely Suspicious Activity Reports ("SARs") involving

suspicious transactions conducted through certain foreign correspondent accounts at the Bank;

- (g) after conducting a voluntary lookback, the Bank filed over 4,300 SARs involving suspicious transactions conducted through the Bank by CDCs and high risk foreign correspondent customers. A significant number of these SARs were not timely filed; and
- (h) failed to adequately report cash structuring activity from review of alerts generated in the Bank's Financial Intelligence Unit.

(2) As a result of the findings set forth in paragraph (1) of this Article, the OCC determined that Wachovia, in material respects, recklessly engaged in unsafe or unsound banking practices and violated the following Bank Secrecy Act regulations:

- (a) 12 C.F.R. §21.21, by failing to adequately audit, conduct independent testing, or manage the implementation of a program to monitor CDCs and foreign correspondent relationships for suspicious activity and by failing to have adequate internal controls in place to identify suspicious transactions;
- (b) 12 C.F.R. §21.11, by failing to adequately monitor CDC and other high risk foreign correspondent accounts to fulfill its suspicious activity reporting obligations and by failing to file timely SARs involving suspicious transactions conducted through the Bank; and
- (c) 31 C.F.R. §103.176, by failing to adequately implement a due diligence program that enables the Bank to detect and report, on an ongoing basis, any known or suspected money laundering activity conducted through or

involving any of its correspondent accounts.

(3) The above-listed reckless unsafe or unsound banking practices and violations of law constituted a pattern of misconduct at Wachovia.

(4) The inadequacy of Wachovia's Bank Secrecy Act and AML controls over the CDCs and other high risk foreign correspondent relationships is especially serious in light of the high risk characteristics of many of the transactions subsequently reported as suspicious. Banks accepting foreign correspondent customers must have in place a level of systems and controls to monitor the transactions for compliance with laws that is commensurate with the risk level posed by this type of customer.

As a result of the examination and investigation, and pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C § 1818, the Comptroller hereby orders that:

ARTICLE II

INTERNAL CONTROLS

(1) The Board and senior management of the Bank shall ensure that the BSA/AML compliance risk program in place for foreign correspondent bank activities is commensurate with the inherent risk exposure posed by these customers. This program must ensure compliance with the Bank Secrecy Act, as amended (31 U.S.C. 5311 – 5330), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subpart B and C (collectively referred to as "BSA"). At a minimum, this program must address the requirements of Articles II through X of this Consent Order, and include the following general provisions:

- (a) a well-documented business strategy that clearly defines risk tolerance, as well as acceptance criteria for new business and protocol for exiting foreign correspondent relationships;
- (b) a process to formally identify the BSA/AML risk inherent in each relationship in the existing foreign correspondent portfolio. Factors to be considered at a minimum in this risk stratification include: products and services provided, geographies served, customer base, AML controls, regulatory history, transaction history, and strength of home country supervisory regime;
- (c) a process to formally articulate the business strategy and resulting risk exposure to the Board of Directors on an ongoing basis;
- (d) a governance structure, with clear lines of responsibility beginning with senior management and including line of business (LOB) management of the Bank, in which accountability for BSA compliance is required and is clearly communicated and enforced;
- (e) policies and procedures outlining compliance requirements regarding customer identification, due diligence gathering, and monitoring;
- (f) dedicated, qualified staff and specialized management information systems within the line of business and the centralized BSA/AML Office to monitor account activities;
- (g) independent testing of compliance with bank policies and procedures governing foreign correspondent accounts; and

(h) a process for continual reassessment of the effectiveness and sufficiency of resources devoted to the BSA/AML compliance program for the foreign correspondent line of business.

(2) To comply with the requirement of paragraph (1) of this Article, the Bank shall develop an action plan (“Plan”) designed to address all deficiencies and violations of law noted within this Consent Order; thus resulting in a BSA/AML compliance program commensurate with the risk exposure inherent within the Bank’s foreign correspondent banking activities. The Plan shall be formalized in writing and approved by the Board of the Bank. The Plan must be submitted within ninety (90) days of the date of this Consent Order, to the Deputy Comptroller for a prior written determination of no supervisory objection. The Bank shall not implement any changes that will cause, result, or bring about a significant deviation or material change to the Plan adopted pursuant to this Article, until the Bank has received a prior written determination of no supervisory objection from the Deputy Comptroller.

ARTICLE III

DUE DILIGENCE

(1) As part of the Plan required by Article II, the Board shall ensure that Bank management establishes risk-based processes to obtain and analyze appropriate customer due diligence information for foreign correspondent accounts, and effectively use this information to monitor for, and investigate, suspicious or unusual activity, that includes:

(a) a methodology for stratifying BSA/AML risk across the Bank’s foreign correspondent customers as set forth in Article II;

- (b) risk-based policy requirements regarding the identification of customers and the scope of due diligence information to be collected and documented;
- (c) for high risk accounts, defined by the Bank's policy/methodology that have greater potential for conducting illegal or illicit activities through the Bank, Bank management shall conduct and document in-depth analyses of enhanced due diligence gathered to facilitate ongoing monitoring efforts – this includes expectations for customer activities that are supported and periodically reviewed for reasonableness, and are utilized as part of the ongoing monitoring process;
- (d) the BSA Officer or his/her designee shall ensure through periodic assessments whether the Bank's enhanced due diligence and monitoring activities are appropriate for high risk foreign correspondent customers and require timely corrective action if necessary; and
- (e) periodic evaluations of line of business and compliance personnel knowledge of, and adherence to, Bank policies and procedures for identifying customers and for gathering, analyzing, and documenting due diligence, in order to determine whether additional or enhanced training should be conducted.

(2) The above due diligence procedures shall be incorporated into the Plan and submitted to the Deputy Comptroller for review and determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE IV

CASH LETTER ACTIVITY

(1) As part of the Plan required by Article II, the Board shall ensure that Bank management establishes appropriate controls over the monitoring of cash letter deposits processed on behalf of foreign correspondent customers. These controls would include:

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

(2) The above controls shall be incorporated into the Plan and submitted to the Deputy Comptroller for review and determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE V

REMOTE DEPOSIT CAPTURE

(1) The Board shall ensure that Bank management establishes appropriate risk-based controls over the usage and monitoring of the Remote Deposit Capture (RDC) product by foreign correspondent customers. These controls would include:

- (a) policies and procedures consistent with the January 14, 2009 interagency guidance on “Risk Management of Remote Deposit Capture” published by the FFIEC (*see* OCC Bulletin 2009-4);
- (b) policies and procedures for identifying, investigating, and resolving transactions that are identified as unusual;
- (c) policies and procedures for reporting suspicious activities;
- (d) periodic evaluations of line of business and compliance personnel knowledge of and adherence to Bank policies and procedures for identifying transactions that pose greater than normal risk for compliance with the BSA in order to determine whether additional or enhanced training should be conducted; and
- (e) periodic evaluations of the sufficiency of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activities.

(2) The above controls shall be incorporated into the Plan and submitted to the Deputy Comptroller for review and determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE VI

RISK-BASED MONITORING

(1) The Board and senior management of the Bank must ensure that the suspicious activity monitoring program in place for foreign correspondents is risk-based. This shall include allocation of sufficient staffing resources from both a qualitative and quantitative perspective.

Specifically, the Bank must ensure that:

- (a) decisions made regarding the establishment and maintenance of critical monitoring software settings utilized to detect suspicious activities are supported by thorough analysis of risk, are documented, and are not based upon staffing constraints;
- (b) critical monitoring software settings used to detect suspicious activities are subject to periodic review by an independent source;
- (c) decisions regarding the filing of Suspicious Activity Reports (SAR) for cash structuring activities are not precluded by related but independent filings of Cash Transaction Reports (CTR);
- (d) independent testing of the SAR decisioning process is performed on a regularly scheduled basis; and
- (e) periodic evaluations are performed of the sufficiency of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activities.

(2) The above suspicious activity monitoring program for foreign correspondent customers shall be incorporated into the Plan and submitted to the Deputy Comptroller for

review and determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE VII

SUSPICIOUS ACTIVITY REPORTS

(1) The Board shall ensure that Bank management finalizes improvements and maintains adherence to a written program to establish a system of internal controls and processes over the monitoring of foreign correspondents customers to ensure compliance with the requirements to file SARs set forth in 12 C.F.R. § 21.11, as amended. At a minimum, this written program shall establish risk-based procedures for identifying, escalating, investigating and reporting known or suspected violations of Federal law, violations of the BSA, or suspicious transactions related to money laundering activity through the Bank's foreign correspondent customers.

(2) The Board shall ensure that Bank management has established processes, personnel, and control systems to ensure the effective implementation of, and adherence to, the program developed pursuant to paragraph (1) of this Article, and that there are appropriate monitoring criteria designed to ensure proper identification and timely reporting of all known or suspected violations of law and suspicious transactions.

(3) The Board shall ensure that Bank management uses investigative case file standards that are consistent with the SAR Decision-Making Process section of the FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual.

(4) The above program shall be incorporated into the Plan and submitted to the Deputy Comptroller for review and determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE VIII

BSA INDEPENDENT TESTING AND AUDIT

(1) The Board shall ensure that Bank management develops an Audit Program with which it will audit the Bank's foreign correspondent activities for compliance with the BSA.

The Audit Program shall include at a minimum:

- (a) a formal process to track and report upon Bank management's remediation efforts to strengthen the BSA/AML compliance program for the foreign correspondent line of business;
- (b) testing of the adequacy of internal controls designed to ensure compliance with the BSA;
- (c) a risk-based approach that focuses transactional testing on higher risk accounts or geographic areas of specific concern; and
- (d) prompt management response and follow-up to all audit exceptions or other recommendations of the Bank's auditor.

(2) The above Audit Program shall be incorporated into the Plan and submitted to the Deputy Comptroller for a prior written determination of no supervisory objection in accordance with Article II, paragraph (2) of this Consent Order.

ARTICLE IX

BULK CASH AND FOREIGN MSB

(1) The Bank has represented to the OCC that it has exited the U.S. dollar bulk cash line of business for non-domestic customers (i.e., “international bulk cash”). If, in the future, the Bank intends to re-enter the international bulk cash line of business, the Bank shall notify the Deputy Comptroller of its plan in writing and obtain written supervisory non-objection prior to commencing re-entry.

(2) The written notification required pursuant to paragraph (1) of this Article must include the Bank’s plan to ensure ongoing compliance with the BSA and to specifically address the risks associated with bulk cash and the controls to be implemented for monitoring activity, which shall include:

- (a) policies and procedures for identifying, investigating, and resolving transactions that are identified as unusual;
- (b) policies and procedures for reporting suspicious activities;
- (c) periodic evaluations of line of business and compliance personnel knowledge of and adherence to Bank policies and procedures for identifying transactions that pose greater than normal risk for compliance with the BSA in order to determine whether additional or enhanced training should be conducted;
- (d) periodic evaluations of the sufficiency of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activities; and

(e) the Bank must consider and apply, if applicable, any regulatory guidance issued by FinCEN, the Federal Banking Agencies or the FFIEC on bulk cash remediation, including any guidance provided in subsequent editions of the FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual.

(3) As of the effective date of this Order, the Bank shall not establish any customer relationships not already in existence with any entity that the Bank either knows or should have known constitutes: (a) a foreign money service business (“FMSB”), or (b) a domestic money service business (“MSB”) that has a 25% or more Mexican casa de cambio ownership, without first notifying the Deputy Comptroller of its plan in writing and obtaining the OCC’s prior written supervisory non-objection. All FMSB customer relationships, and domestic MSBs as defined in 31 C.F.R. §103.11(uu) that have a 25% or more Mexican casa de cambio ownership, shall also be subject to the requirements of Articles II through VII of this Order.

(4) For purposes of this Article, an FMSB is an MSB that is not subject to the registration requirements of 31 C.F.R. §103.41 and is organized and established under the laws of a jurisdiction other than the United States.

(5) The written notification required pursuant to paragraph (3) of this Article must include the Bank’s plan to ensure that BSA/AML and USA PATRIOT Act compliance risks are identified and controls are implemented to address such risks. At the discretion of the Deputy Comptroller, the Bank may be directed to employ independent testing to validate that such risks have been addressed.

ARTICLE X

GENERAL STATEMENT ON PERFORMANCE EXPECTATIONS

(1) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Consent Order via successful implementation of the Plan, and shall ensure that an effective BSA/AML program over foreign correspondent banking activities is maintained in accordance with the BSA thereafter.

(2) The Board shall monitor the Bank's BSA/AML program for foreign correspondent bank activities, including: the effective implementation the Plan; prompt identification and reporting of deficiencies; timely corrective actions, as necessary; and timely and effective audit and compliance reviews.

(3) Within one hundred twenty (120) days after the date of this Consent Order, Bank management shall submit a formal report to the Board and the Deputy Comptroller detailing the status of remediation activities. This communication must provide a detailed account of remediation efforts for each Article of this Consent Order. Thereafter, Bank management shall submit formal status reports to the Board and the Deputy Comptroller on at least a quarterly basis, beginning within ninety (90) days after submission of the initial status report. These status reports must include conclusionary statements regarding the progress and success of remediation efforts. The quarterly status reports shall continue in effect until the provisions of this Consent Order are terminated in writing by the Comptroller.

ARTICLE XI

CLOSING

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

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America 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 doing so.

(3) The provisions of this Consent Order are effective upon issuance of this Consent Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable against the Bank and its successors in interest, except to the extent that, and until such time as, any provisions of this Consent Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(4) 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 on the Comptroller or the United States.

(5) 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.

(6) The provisions of this Consent Order constitute a settlement of the Cease and Desist proceeding contemplated by the Comptroller.

(7) Any time limitations imposed by this Consent Order shall begin to run from the date of this Consent Order. Such time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any written requests to extend any time limitations submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with any provision, that require the Deputy Comptroller to exempt the Bank from any provision; or that require an extension of any time frame within this Consent Order. All such requests shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(8) In each instance in this Consent Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank and Bank management, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Consent Order;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Consent Order;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

IT IS SO ORDERED, this 12th day of March, 2010.

/s/

Michael L. Brosnan
Deputy Comptroller
Large Bank Supervision

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

In the Matter of:

Wachovia Bank, National Association
Charlotte, North Carolina

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

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to impose a cease and desist order against Wachovia Bank, National Association, Charlotte, North Carolina (“Bank”) pursuant to 12 U.S.C. § 1818(b) for violations of the Bank Secrecy Act, 31 U.S.C. §§ 5311, *et seq.* and Bank Secrecy Act regulations 12 C.F.R. §§ 21.11 and 21.21, and 31 C.F.R. §103.176, thereunder, and 12 U.S.C. § 1818(s).

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”) and consents to the issuance of a Consent Order, dated March 12, 2010 (“Consent Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).
- (4) As a result of this 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 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.

(5) This 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.

ARTICLE II

AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to issuance of the Consent Order by the Comptroller.

(2) The Bank further agrees that said Consent Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Consent Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i).

(3) 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(i), 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.

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

(5) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The OCC releases and discharges the Bank from all potential claims and charges that have been or might have been asserted by the OCC based on the violations described in the Comptroller's Findings set forth in Article I of the Consent Order to the extent known to the OCC as of the effective date of the Consent Order. However, the violations alleged in Article I of the Consent Order may be utilized by the OCC in future enforcement actions to establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the OCC to determine and ensure compliance with the terms and provisions of this Stipulation and the Consent Order.

(7) The terms and provisions of the Stipulation and the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation or the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by signing this Stipulation, hereby waives:
 - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);

- (b) any and all procedural rights available in connection with the issuance of the Consent Order;
- (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), 12 C.F.R. Part 19
- (d) 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 its agents or employees, related in any way to this enforcement matter or this 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; and
- (f) any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

CLOSING

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

(2) The Bank understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Consent Order, and that nothing herein constitutes, nor shall the Bank contend that it constitute, a waiver of any right, power, or

authority of any other representatives of the United States or agencies thereof, including the Department of Justice to bring other actions deemed appropriate.

(3) The Bank also agrees that the terms of the Stipulation and 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, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/

Michael L. Brosnan
Deputy Comptroller
Large Bank Supervision

March 12, 2010
Date

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

/s/

Howard I. Atkins

Date

/s/

David A. Hoyt

3/10/10

Date

/s/

Michael J. Loughlin

3/10/10

Date

/s/

Mark C. Oman

3/10/10

Date

/s/

John G. Stumpf

Date

/s/

Carrie L. Tolstedt

3/10/10

Date