#2008-149

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

In the Matter of:	)
TomatoBank, N.A.	)
Diamond Bar, California	)

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over TomatoBank, N.A., Diamond Bar, California ("Bank");

WHEREAS, in the interests of cooperation, 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 ("Stipulation and Consent"), dated 11/19/08, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference herein, the Bank, without admitting or denying any wrongdoing, has consented to the issuance of this Consent Order ("Order") by the Comptroller; and

NOW, THEREFORE, the Comptroller, acting by and through his designated representative and by virtue of the authority conferred by 12 U.S.C. § 1818(b), **HEREBY ORDERS THAT:**

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within ten (10) days, the Board shall appoint a Compliance Committee of at least three (3) directors, none of whom shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Director for Special Supervision ("Director"). The Compliance

Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within sixty (60) days of the date of this Order and every thirty (30) days thereafter, the Compliance Committee shall submit a written progress report to the Board, setting forth in detail:

(a) a description of the action needed to achieve full compliance with each Article of this Order;

(b) actions taken to comply with each Article of this Order; and

(c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Director within ten (10) days of receiving such report.

(5) All reports or plans that the Bank or Board has agreed to submit to the Director pursuant to this Order shall be forwarded, by overnight delivery, to the following:

Director for Special Supervision
Office of the Comptroller of the Currency
Mail Stop 6-4
250 E Street, SW
Washington, DC 20219

A copy shall also be sent by overnight mail or hand delivery to:

Southern California, North Field Office
Office of the Comptroller of the Currency
550 North Brand Boulevard, Suite 500
Glendale, CA 91203

(6) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to all provisions of this Order, and that Bank personnel have sufficient training and authority to execute their duties and responsibilities under this Order.

ARTICLE II

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall forward to the Director for review and prior written determination of no supervisory objection, a written Strategic Plan for the Bank, covering at least a three-year period. At the next Board meeting following receipt of the Director's written determination of no supervisory objection, the Board shall finalize and adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Strategic Plan. The Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development, and market segments that the Bank intends to promote or develop, 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) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s);

(c) the strategic goals and objectives to be accomplished;

(d) specific actions to improve Bank earnings and accomplish the identified strategic goals and objectives;

(e) identification of Bank personnel to be responsible and accountable for achieving each goal and objective of the Strategic Plan, including specific time frames;

(f) a financial forecast, to include projections for major balance sheet and income statement accounts, targeted financial ratios, and growth projections over the period covered by the Strategic Plan;

(g) a description of the assumptions used to determine financial projections and growth targets;

(h) an identification and risk assessment of the Bank's present and planned future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in the Strategic Plan, with the requirement that the risk assessment of new product lines must be completed prior to the offering of such product lines;

(i) a description of control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's markets;

(j) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives established in the Strategic Plan;

(k) a management employment and succession program to promote the retention and continuity of capable management;

(l) assigned responsibilities and accountability for the strategic planning process, new products, growth goals, and proposed changes in the Bank's operating environment; and

(m) a description of systems to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives.

(2) At least monthly, the Board shall review financial reports and earnings analyses prepared by the Bank that evaluate the Bank's performance against the goals and objectives established in the Strategic Plan, as well as the Bank's written explanation of significant differences between actual and projected balance sheets, income statements, and expense accounts, including descriptions of extraordinary and/or nonrecurring items. Within ten (10) days of the completion of its review, the Board shall submit a copy of the reports to the Director.

(3) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Strategic Plan, based on the Bank's monthly reports, analyses, and written explanations of any differences between actual performance and the Bank's strategic goals and objectives, and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. Within ten (10) days of completing its evaluation, the Board shall submit a copy to the Director.

(4) Prior to adoption by the Board of any subsequent amendment or revision to the Strategic Plan, a draft of the Strategic Plan as so amended or revised shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall adopt and the Bank shall immediately implement and adhere to the Strategic Plan.

(5) Brokered deposits shall only be used for funding needs, including maturing or withdrawn deposits or borrowing maturities, and shall not be used to fund asset growth, other than the growth approved in the Strategic Plan.

(6) The Bank may not initiate any action that deviates significantly from the Board-approved Strategic Plan without a written determination of no supervisory objection from the Director. The Board must give the Director advance, written notice of its intent to deviate significantly from the Strategic Plan, along with an assessment of the need for and the projected

impact of such change on the Bank's condition, 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 change in the Strategic Plan.

(7) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, any changes in the Bank's products and services, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or other changes in personnel (other than voluntary departures or actions taken pursuant to Article IV), operations, or external factors that may have a material impact on the Bank's operations or financial performance. For purposes of this paragraph, “personnel” shall include the president, chief executive officer, chief operating officer, chief financial officer, chief credit officer, chief compliance officer, risk manager, auditor, member of the Bank's board of directors, or any other position subsequently identified in writing by the Director.

ARTICLE III

CAPITAL PLAN

(1) Within ninety (90) days, the Board shall forward to the Director for review and prior written determination of no supervisory objection, a draft of a new written Capital Plan for the Bank, consistent with the Bank's Strategic Plan as required by Article II, covering at least a three-year period. At the next Board meeting following receipt of the Director’s written determination of no supervisory objection, the Board shall finalize and adopt, and the Bank

(subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Capital Plan. The Capital Plan shall include:

(a) specific plans for the maintenance of adequate capital;

(b) projections for growth and capital requirements, based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;

(c) projections of the sources and timing of additional capital to meet the Bank's future needs, as set forth in the Strategic Plan;

(d) identification of the primary sources from which the Bank will maintain an appropriate capital structure to meet the Bank's future needs, as set forth in the Strategic Plan;

(e) contingency plans that identify alternative methods to strengthen capital, should the primary source(s) under paragraph (d) of this Article not be available; and

(f) a dividend policy that permits the declaration of a dividend only:

(i) when the Bank is in compliance with its approved Capital Plan and would remain in compliance with its approved Capital Plan immediately following the payment of any dividend;

(ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

(iii) following the prior written determination of no supervisory objection by the Director.

(2) The Board shall review and update the Bank's Capital Plan at least annually and more frequently if necessary or if requested by the Director. Revisions to the Bank’s Capital

Plan shall be submitted to the Director for a prior written determination of no supervisory objection.

ARTICLE IV

BOARD TO HIRE AND ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis in all executive officer positions to carry out the Board's policies; ensure compliance with this Order; ensure compliance with applicable laws, rules, and regulations; and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within sixty (60) days, the Board shall identify and provide notice to the Director, pursuant to paragraph (6) of this Article, of qualified and capable candidates for the positions of President/Chief Executive Officer ("CEO") and Senior Loan Officer/Chief Credit Officer ("SLO"). The new CEO and SLO shall each be vested with sufficient executive authority to fulfill the duties and responsibilities of their positions and to ensure the safe and sound operation of the Bank.

(3) Within one hundred twenty (120) days, the Board shall prepare a written assessment of the capabilities of the other Bank officers to perform present and anticipated duties, taking into account the findings contained in the most recent Report of Examination ("ROE"), and factoring in the officer's past actual performance, experience, and qualifications, compared to their position description, duties and responsibilities, with particular emphasis on their proposed responsibilities to execute the Strategic Plan and correct the concerns raised in the ROE. Upon completion, a copy of the written assessment shall be submitted to the Director.

(4) If the Board determines that an officer's performance, skills or abilities needs improvement, the Board will, within sixty (60) days following completion of the assessment, require the Bank to develop and implement a written program, with specific time frames, to

improve the officer's performance, skills and abilities. Upon completion, a copy of the written program shall be submitted to the Director.

(5) If the Board determines that an officer will not continue in his/her position, the Board shall document the reasons for this decision in its assessment performed pursuant to paragraph (3) of this Article, and shall within ninety (90) days of such vacancy identify and provide notice to the Director, pursuant to paragraph (6) of this Article, of a qualified and capable candidate for the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Order and the safe and sound operation of functions within the scope of that position's responsibility.

(6) Prior to the appointment of any individual to an executive officer position pursuant to paragraphs (2) and (5), the Board shall submit to the Director written notice, as required by 12 C.F.R. § 5.51 and in accordance with the Comptroller's Licensing Manual. The Director shall have the power to disapprove the appointment of the proposed executive officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer. The requirement to submit information and the prior disapproval provisions of this Article are based upon the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Director to complete his review and act on any such information or authority within ninety (90) days.

(7) The Board shall perform, at least annually, a written performance appraisal for each Bank officer that establishes objectives by which the officer’s effectiveness will be measured, evaluates performance according to the position's description and responsibilities, and assesses accountability for action plans to remedy issues raised in Reports of Examination or audit reports. Upon completion, copies of the performance appraisals shall be submitted to the

Director. The Board shall ensure that the Bank addresses any identified deficiencies in a manner consistent with paragraphs (4) and (5) of this Article.

ARTICLE V

LIQUIDITY MANAGEMENT

(1) Within sixty (60) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter maintain a comprehensive liquidity management program that assesses, on an ongoing basis, the Bank's current and expected funding needs, and ensures that sufficient funds or access to funds exist to meet those needs. Such a program must include effective methods to achieve and maintain sufficient liquidity, and to measure and monitor liquidity risk, and must include, at a minimum:

(a) a deposit maturity schedule by deposit type, including brokered deposits and uninsured deposits, that shows the balances available for immediate withdrawal and maturities, by week for the next two months and by month for the following ten months, which schedule shall be updated at least weekly;

(b) a funding obligation schedule by funding type, including outstanding lines of credit, unfunded loan commitments, and outstanding letters of credit, that shows the funds that can be drawn upon immediately, by week for the next two months and by month for the following ten months, which schedule shall be updated at least weekly;

(c) a listing of funding sources, to be updated weekly, including:

(i) federal funds sold;

(ii) borrowing lines by lender, including original amount borrowed, current balance, remaining availability, type and book value of collateral pledged, terms, and maturity date, if applicable;

(iii) unpledged assets and assets available for sale; and

(iv) other available sources of funds to meet liquidity needs.

(d) a report of sources and uses of funds covering each of the next four weeks, updated weekly, that reflects known and projected changes in asset and liability accounts under best case and worst case scenarios, and sets out the assumptions used in developing the projections, to include:

(i) projected additional funding requirements, in the event of: a reduction in deposit accounts, including uninsured and brokered deposits; cancellation of unsecured borrowing lines or an inability to access federal funds; or a reduction in available secured borrowing lines;

(ii) projected additional funding sources, including loan payments, loan sales/participations, or deposit increases; and

(iii) projected impact of changes in reputation and in economic and credit conditions in the Bank's market.

(e) strategies to maintain sufficient liquidity at reasonable costs, including (but not limited to) the following:

(i) better diversification of funding sources, with particular emphasis on increasing traditional core funding; and

(ii) increasing liquidity through such actions as obtaining additional capital, imposing limits on asset growth, pursuing aggressive collection of problem loans and recovery of charged-off assets, and asset sales.

(f) a contingency funding plan that forecasts funding needs and funding sources under a stressed scenario, and that:

(i) represents management's best estimate of balance sheet changes that may result from a liquidity or credit event;

(ii) identifies, quantifies, and ranks all sources of funding by preference for best case and worst case scenarios, including asset funding, liability funding, and off-balance sheet funding; and

(iii) employs administrative policies and procedures that are consistent with Board-approved risk tolerances and guidance.

(2) Upon the adoption of the program, the Board shall submit a copy of the comprehensive liquidity management program, along with the weekly schedules and reports required by this Article, to the Director for review.

ARTICLE VI

LOAN PORTFOLIO MANAGEMENT

(1) Within sixty (60) days after the employment of a new SLO as required by Article IV, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to a revised written credit policy to improve the Bank's loan portfolio management. The credit policy shall include (but not be limited to):

(a) a description of the types of credit information required from borrowers and guarantors, including (but not limited to) annual audited statements, interim financial statements, personal financial statements, and tax returns with supporting schedules;

(b) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and validating current credit information about the borrower and any guarantor sufficient to fully assess and analyze the borrower's and guarantor's cash flow, debt service requirements, contingent liabilities, and global liquidity condition, and only after the credit officer prepares a documented credit analysis;

(c) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and documenting the current valuation of any supporting collateral, and that reasonable limits are established on credit advances against collateral, based on a consideration of (but not limited to) a realistic assessment of the value of collateral, the ratio of loan to value, and overall debt service requirements;

(d) procedures and controls to periodically verify the existence and lien position of collateral;

(e) procedures to ensure that loans made for the purpose of constructing or developing real estate include (but are not limited to) requirements to:

  (i) obtain and evaluate detailed project plans; detailed project budget; time frames for project completion; detailed market analysis; and sales projections, including projected absorption rates;

  (ii) conduct stress testing of significant project and lending; and

  (iii) obtain current documentation sufficient to support a detailed analysis of the financial condition of borrowers and significant guarantors.

(f) a requirement that borrowers and/or guarantors maintain any collateral margins established in the credit approval process;

(g) procedures that prohibit the capitalization of accrued interest on any loan renewal or extension;

(h) procedures that prohibit, on any loan renewal or extension, the establishment of an interest reserve using the proceeds of any Bank loan to the same borrower or guarantor;

(i) procedures to ensure that all exceptions to the credit policy shall be clearly documented on the loan offering sheet, problem loan report, and other MIS; and approved by the Board or a committee thereof before the loan is funded or renewed;

(j) credit risk rating definitions consistent with applicable regulatory guidance;

(k) procedures for early problem loan identification, to ensure that credits are accurately risk rated at least monthly; and

(l) prudent lending and approval limits for lending officers that are commensurate with their experience and qualifications, and that prohibit combining individual lending officers' lending authority to increase limits.

(2) Upon completion, a copy of the Bank's revised credit policy and associated written procedures shall be forwarded to the Director.

(3) The Board shall ensure that Bank personnel performing credit analyses are adequately trained in cash flow analysis, particularly analysis using information from tax returns, and that processes are in place to ensure that additional training is provided as needed.

(4) Upon adoption of the revised credit policy pursuant to Paragraph 1 of this Article, the Board shall establish a written performance appraisal process and incentive program for loan

officers that adequately considers performance relative to job descriptions, policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters.

(5) Within ninety (90) days, the Board shall ensure that the Bank's management information systems ("MIS") are improved to satisfy, at a minimum, the following requirements:

(a) a report aggregating customer liability relationships with the Bank;

(b) systems or procedures to identify, record, and track missing, incomplete, or imperfect loan and collateral documentation, including missing or outdated appraisals and operating statements;

(c) a record system and report to identify all real estate loans and projects that evidence one or more of the following characteristics: slower than anticipated sales, lease, or rental activity; slower than anticipated construction progress; cost overruns; or other impediments to orderly project completion; and

(d) monthly reporting to the Board of Directors regarding the status of the commercial real estate and construction loan portfolios, to include, at a minimum:

(i) a list of completed construction projects and the status of sale of property or permanent financing;

(ii) number and volume of loans that are over advanced;

(iii) number and volume of loans requiring the advancement of additional funds and an explanation, for each loan, why additional funds are required; and

(iv) list of loans with advances in excess of line item budget or percentage completed.

ARTICLE VII

CREDIT AND COLLATERAL EXCEPTIONS

(1) The Board shall obtain current and complete credit information on all loans lacking such information, which are listed in the ROE (within sixty (60) days from the effective date of this Order), in any subsequent Report of Examination (within sixty (60) days from the issuance of such Report of Examination), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from receipt of such listing). The Bank shall maintain a list of any credit exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(2) The Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE (within sixty (60) days from the effective date of this Order), in any subsequent Report of Examination (within sixty (60) days from the issuance of such Report of Examination), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from receipt of such listing). The Bank shall maintain a list of any collateral exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

(a) documenting the specific reason or purpose for the extension of credit;

(b) identifying the expected source of repayment in writing;

(c) structuring the repayment terms to coincide with the expected source of repayment;

(d) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable; and

(e) obtaining and analyzing current and complete credit information, including cash flow analysis, where loans are to be repaid from operations, and global cash flow analysis, where loan repayment is expected from other sources such as Guarantors;

(i) Failure to obtain the information in (3) (d) shall require a majority of the full Board (or a designated committee thereof) to certify in writing the specific reasons why obtaining and analyzing the information in (3) (d) would be detrimental to the best interests of the Bank.

(ii) A copy of the Board certification shall be maintained in the credit file of the affected borrower(s).

ARTICLE VIII

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination subsequent to the effective date of this Order.

(2) The Board shall adopt, implement, and thereafter ensure Bank adherence to a written criticized asset plan designed to eliminate the basis of criticism of assets criticized in the

ROE (within thirty (30) days from the effective date of this Order), in any subsequent Report of Examination (within thirty (30) days from the issuance of such Report of Examination), or by any internal or external loan review (within thirty (30) days from the completion of such review), or in any list provided to management by the National Bank Examiners during any examination subsequent to the effective date of this Order (within thirty (30) days of the receipt of such listing) as "doubtful," "substandard," or "special mention." This plan shall include, at a minimum:

(a) a detailed history of the credit, including payment performance;

(b) an identification of the expected sources of repayment;

(c) the appraised value of supporting collateral and the position of the Bank's lien on such collateral, where applicable;

(d) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; if, however, the Bank is unable to obtain current credit information on a criticized asset, the efforts made to obtain the information should be fully documented and maintained in the credit file; and

(e) the proposed action to eliminate the basis of criticism and the anticipated time frame for its accomplishment.

(3) Upon adoption, a copy of the criticized asset plan for each criticized asset or credit relationship equal to or exceeding two hundred fifty thousand dollars ($250,000) shall be forwarded to the Director.

(4) The Board, or a designated committee, shall conduct a review and prepare a detailed written criticized asset report, on at least a monthly basis, to determine:

(a) the status of each criticized asset or credit relationship equal to or exceeding two hundred fifty thousand dollars ($250,000);

(b) management's adherence to the criticized asset plan adopted pursuant to this Article;

(c) the status and effectiveness of the written criticized asset plan; and

(d) the need to revise the criticized asset plan or take alternative action.

(5) A copy of each review and criticized asset report required by paragraph (4) shall be forwarded to the Director on a monthly basis.

(6) The Bank shall not extend credit, directly or indirectly, including renewals, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any future Report of Examination, in any internal or external loan review, or in any list subsequently provided to management by the National Bank Examiners during any examination unless each of the following conditions is met:

(a) the Board, or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that such additional extension of credit is in compliance with all applicable law and is a safe and sound banking practice;

(b) a comparison to the written criticized asset plan adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised; and

(c) that prior to extending such additional credit, a majority of the disinterested Board members approves the credit extension and documents, in writing, why such extension is necessary to promote the best interests of the Bank, is in compliance with all applicable law and is consistent with safe and sound banking practices.

(7) A copy of the Board's approval required by paragraph (6)(c) shall be maintained in the file of the affected borrower.

ARTICLE IX

VIOLATIONS OF LAW AND CALL REPORT ACCURACY

(1) The Board shall require and the Bank shall immediately take all necessary steps to correct each violation of law, rule, or regulation cited in the ROE, any subsequent Report of Examination, or brought to the Board's or Bank's attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within ninety (90) days after the violation is cited or brought to the Board's attention, the Bank shall provide to the Board a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified time.

(2) Within sixty (60) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to:

(a) specific procedures to prevent future violations as cited in the ROE; and

(b) general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

(3) Within sixty (60) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to policies and procedures in accordance with the Instructions for Preparation of Consolidated Reports of

Condition and Income, to ensure that all official and regulatory reports filed by the Bank accurately reflect the Bank's condition as of the date that such reports are submitted.

(4) Upon adoption, the Board shall forward a copy of these policies and procedures to the Director.

ARTICLE X

INTERNAL AUDIT

(1) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program sufficient to:

(a) detect irregularities and weak practices in the Bank's operations;

(b) determine the Bank's level of compliance with all applicable laws, rules and regulations;

(c) assess and report the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;

(d) evaluate the Bank's adherence to established policies and procedures, with particular emphasis directed to the Bank's adherence to its loan policies concerning underwriting standards and problem loan identification and classification;

(e) review and provide an opinion regarding whether regulatory reports beginning with the quarter ending September 30, 2008, contain "material misstatements" within thirty (30) days of filing; for purposes of this Article, "material misstatements" has the same meaning as the term is used in the SEC's Staff Accounting Bulletin No. 99 on Materiality ("SAB 99").

(f) adequately cover all areas; and

(g) establish an annual audit plan using a risk based approach sufficient to achieve these objectives.

(2) As part of this audit program, the Board shall ensure that the Audit Committee meets at least quarterly and maintains detailed written minutes of all it activities including:

(a) discussions with internal and/or external auditors concerning the scope of the annual audits to be performed;

(b) an opinion that the areas and scope of the audits provides suitable audit coverage given the risk profile of the Bank;

(c) a review of all audit and examination reports within 30 days of their receipt;

(d) discussion with bank officer and auditors concerning all matters cited in the audit and examination reports of the various departments and their opinions of the present condition; and

(e) a determination that all matters involving violations of law or regulation, unsafe or unsound banking practices, and deficiencies in the Bank's policies, practices and controls disclosed in the audit and examination reports are noted and corrected.

(3) As part of this audit program, the Board shall evaluate the audit reports of any party providing audit services to the Bank, and assess the impact on the Bank of any audit deficiencies cited in such reports.

(4) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(5) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to

the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(6) All audit reports shall be in writing. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(7) The audit staff shall have access to any records necessary for the proper conduct of its activities. National bank examiners shall have access to all reports and work papers of the audit staff and any other parties working on its behalf.

(8) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Director.

ARTICLE XI

BOOKS AND RECORDS

(1) The Board shall immediately take all necessary actions to ensure that, within ninety (90) days, the Bank's books, records, general ledger, financial reports and management information systems (MIS) are restored to a complete and accurate condition, and that each deficiency cited by the Comptroller is corrected.

(2) Within sixty (60) days, the Board shall submit to the Director an action plan detailing how the Board will restore the Bank's books, records, general ledger, financial reports and MIS to a complete and accurate condition, setting forth a timetable for implementing the plan. In the event the Director recommends changes to the action plan, the Board shall immediately incorporate those changes into the plan.

(3) The Board shall ensure that, once restored to complete and accurate condition, the Bank's books, records, general ledger, financial reports, and MIS are maintained in a complete and accurate condition.

ARTICLE XII

INFORMATION TECHNOLOGY

(1) The Board shall immediately take all steps necessary to improve the management of the Bank's Information Technology ("IT") activities and to correct each deficiency cited by the Comptroller.

(2) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure adherence to a comprehensive, written information security program to ensure the safety and soundness of its operations and to support the Bank's efforts to comply with 12 C.F.R. Part 30, Appendix B, Safeguarding Customer Information. The information security program shall include administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of customer information. The information security program shall be consistent with the security process described in the "Information Security" booklet of the FFIEC Information Technology Examination Handbook. At a minimum, the information security program shall include:

(a) a corporate-wide assessment of the risks to its customer information or customer information systems and a written report evidencing such assessment. The assessment shall include:

(i) the identification of reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;

(ii) an assessment of the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information; and

(iii) an assessment of the sufficiency of policies, procedures, customer information systems, and other arrangements in place to control risks.

(b) a process to monitor and control the identified risks, commensurate with the sensitivity of the information as well as the complexity and scope of bank activities;

(c) a test plan that provides for regular testing of key controls, systems and procedures of its information security program. The frequency and nature of such tests shall be determined by the risk assessment. Such tests shall be conducted or reviewed by independent third parties or staff independent of those who develop or maintain the information security program.

(3) Within ninety (90) days, the Board shall adopt and thereafter ensure the Bank implements and adheres to, a written program to oversee and manage risks associated with outsourcing technology services to third party servicers, including technology service providers and vendors. This third party management program shall be consistent with OCC Bulletin 2001-47, "Third Party Relationships," dated November 1, 2001, and OCC Advisory Letter 2000-12, "Risk Management of Outsourcing Technology Services" dated November 28, 2000.

(4) Within ninety (90) days, the Board shall adopt and thereafter ensure the Bank implements a formal enterprise-wide business continuity process that complies with the requirements set forth in the "Business Continuity Planning" booklet of the <u>FFIEC Information Technology Examination Handbook</u>. At a minimum, the business continuity process shall include:

(a) a business impact analysis that includes:

(i) the identification of the potential impact of uncontrolled, non-specific events on the institution's business processes and its customers; and

(ii) an estimation of the maximum allowable downtime and acceptable levels of data, operations, and financial losses.

(b) a risk assessment process that includes:

(i) the prioritization of potential business disruptions based upon severity and likelihood of occurrence;

(ii) a gap analysis comparing the institution's existing business resumption plans, if any, to what is necessary to achieve recovery time and point objectives; and

(iii) an analysis of threats based upon the impact on the institution, its customers, and the financial markets, not just the nature of the threat.

(c) a risk management process that includes the development of a written, enterprise-wide business continuity plan (BCP); and

(d) a risk monitoring process that includes:

(i) testing of the BCP on at least an annual basis;

(ii) independent audit and review of the BCP; and

(iii) updating the BCP based upon changes to personnel and the internal and external environments.

(5) The Board shall provide a quarterly written progress report on each of the requirements of this Article to the Director.

ARTICLE XIII

SERVICE AGREEMENTS WITH OUTSIDE PARTIES

(1) Before entering into a contractual agreement with any party (servicer) that provides services to the Bank, including data processing, loan applications processing, account management, management information systems (MIS), or any debit or credit card functions, the Board shall perform a comprehensive due diligence review of the servicer to assess management capabilities, adequacy of staffing, existence of proper internal controls, comprehensiveness of

operating procedures, and adequacy of MIS to fulfill the Bank's needs. The Board shall also ensure the Bank assesses the financial strength of the servicer and determine the ongoing viability of the servicer. If the Board determines a servicer does not demonstrate that the servicer possesses these attributes, then the Board shall not enter into the agreement. The Board shall submit to the Director a copy of the Bank's written evaluation before the execution of a contract with any servicer.

(2) Within sixty (60) days, the Board shall prepare the aforementioned written analysis with regard to any servicer with which the Bank has entered into an existing contractual service agreement, and submit a copy to the Director.

(3) The Board shall designate a Bank officer to monitor the operations of such servicer(s) and to submit to the Board, on at least a semi-annual basis, a written appraisal of the servicer's performance in providing services to the Bank, and in maintaining sufficient management, staff, controls, procedures and MIS. The Board shall forward a copy of these appraisals to the Director.

(4) In the event that the aforementioned written appraisals demonstrate that such servicer(s) has failed to provide acceptable services to the Bank, or to maintain the necessary management, staff, controls, procedures and MIS, and if such servicer(s) is(are) unable or unwilling to correct these deficiencies, the Board shall terminate the contract between the Bank and servicer(s).

ARTICLE XIV

NEW PRODUCTS AND SERVICES

(1) Prior to the Bank's involvement in any new products or services, whether offered by the Bank, its holding company or any other entity, the Board shall prepare a written analysis of said product or service. The analysis shall, at a minimum, include the following:

(a) an assessment of the risks and benefits of the product or service to the Bank;

(b) an explanation of how the product or service is consistent with the Bank's Strategic Plan;

(c) an evaluation of the adequacy of the Bank's organizational structure, staffing, MIS, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service;

(d) an identification of all laws and regulations applicable to the new products or services and formulation of a program to ensure full compliance with such laws and regulations; and

(e) a profitability analysis, including growth projections, interest rate risk and impact on capital.

(2) Prior to the Bank's involvement in the new product or service, a copy of the analysis shall be submitted to the Director for prior written determination of no supervisory objection.

ARTICLE XV

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Board contends that compliance with any provision of this Order would cause undue hardship to the Bank, or requires an extension of any timeframe within this Order, the Board shall submit a written request to the Director asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Board or the Bank from complying with a provision, that require the Director to

exempt the Board or the Bank from a provision, or that require an extension of a timeframe within this Order.

(2) All such requests shall be accompanied by relevant supporting documentation, and to the extent requested by the Director, a sworn affidavit or affidavits setting forth any other facts upon which the Board relies.

(3) The Director's decision concerning a request is final and not subject to further review.

ARTICLE XVI

CLOSING

(1) Although the Board and the Bank are required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Director, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank’s books and records.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Except as otherwise expressly provided herein, any time limitations imposed by this Order shall begin to run from the effective date of this Order.

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

(5) In each instance in this Order in which the Bank or the Board is required to ensure implementation of, adherence to, and undertake to perform certain obligations of the Bank, 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 and the Board to perform their obligations and undertakings under the terms of this Order;

(b) Require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this 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.

(6) This 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.

(7) 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 WITNESS WHEREOF, my hand given at Washington, D.C. this 19th day of November 2008.

signed
Ronald G. Schneck
Director for Special Supervision
Office of the Comptroller of the Currency

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

In the Matter of:	)
TomatoBank, N.A.	)
Diamond Bar, California	)

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") may initiate cease and desist proceedings against TomatoBank, N.A., Diamond Bar, California ("Bank") pursuant to 12 U.S.C. § 1818(b)(1).

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated 11/19/08 ("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 Order:

(a) the Bank is not 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 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; and

(c) the Bank is 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.

ARTICLE II

AGREEMENT

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

(2) The Bank further agrees that said Order shall be deemed an "order issued with the consent of the depository institution" as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its 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 OCC has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no OCC officer or employee has statutory or other authority to bind the United States, the United States Department of the Treasury,

the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

ARTICLE III

WAIVERS

(1) The Bank, by signing this Stipulation and Consent, 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 Order;

(c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;

(d) all rights to seek any type of administrative or judicial review of the Order; and

(e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER ACTION

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

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

signed 11/19/08

Ronald G. Schneck Date
Director for Special Supervision
Office of the Comptroller of the Currency

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.

signed	11/14/08
Peter Bhakta	Date
signed	11/14/08
George Chen	Date
signed	11/14/08
John B. Hansen	Date
signed	11/14/08
David A. Hayden	Date
signed	11/14/08
Allen Hom	Date
signed	11/14/08
Duke Lin	Date
signed	11/14/08
Keng Yin Lu	Date
signed	11/14/08
Julie Wang	Date