#2010-238
Also Terminates **#2009-127**

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

In the Matter of:	)
Metropolitan National Bank	)
New York, New York	)

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over Metropolitan National Bank, New York, New York ("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 11/5/10, which is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order ("Order") by the Comptroller, which supersedes and terminates the Formal Agreement entered into with the Bank on July 23, 2009.

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I.

COMPLIANCE COMMITTEE

(1) The Board shall maintain its Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. In the event of a proposed change of the membership of the

Committee, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. 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) The Compliance Committee shall continue to submit quarterly written progress reports to the Board setting forth in detail:

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

(b) the results and status of those actions; and

(c) a description of the actions needed to achieve full compliance with each Article of this Order.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller.

ARTICLE II.

EXECUTIVE OFFICER COMPENSATION REVIEW

(1) Within ninety (90) days of the date of this Order, the Board shall hire an independent consultant to make a written assessment of whether the compensation, including bonuses and non-monetary compensation, of the Bank's senior executive officers is excessive given the deficiencies outlined in OCC Reports of Examination and the Bank's current financial condition.

(2) Prior to the appointment of any senior executive officer, the Board shall make a written determination that the officer's planned compensation, including non-monetary compensation, comports with Appendix A, Subpart III to 12 C.F.R. Part 30.

ARTICLE III.

STRATEGIC PLANNING

(1) Within ninety (90) days, the Board shall revise the Bank's written strategic plan to address the comments and recommendations contained in the Report of Examination with a start date of February 22, 2010 (the "Report"). The revised strategic plan must cover at least a three year period, to establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, consistent with the other requirements of this Order, together with strategies to achieve those objectives. At a minimum, the plan shall include:

(a) identification of the markets, branches and products the Bank can successfully compete in and market, with detailed market and business line strategies and specific quantifiable action plans to accomplish identified strategic goals and objectives and improve Bank earnings;

(b) identification of the markets, branches, and products the Bank should discontinue, including an outline of such implementation and an assessment of how the discontinuation would impact the Bank's earnings;

(c) the development of strategic goals and objectives to be accomplished over the short and long term, including an assessment of whether the sale, merger, or liquidation of the Bank is in the best interests of the Bank, its shareholders, and its depositors;

(d) the assignment of management responsibility to carry out the Bank's strategic plan, with specific time frames for performance and specific accountability measures;

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

(f) a financial forecast which includes projections for major balance sheet and income statement accounts and desired financial ratios, consistent with the other requirements of this Order, over the period covered by the strategic plan;

(g) control systems to mitigate risks associated with planned new products, current product lines, growth, or any proposed changes in the Bank's operating environment;

(h) systems to monitor the Bank's progress in meeting the plan's goals and objectives; and

(i) the appointment of an individual responsible for monitoring the Bank's progress in meeting the plan's goals and objectives, identifying proposed changes in the Bank's operating environment, and providing quarterly status reports to the Board.

(2) Prior to the adoption of the revised strategic plan, the Board shall provide a copy to the Assistant Deputy Comptroller. Upon written notice of no supervisory objection, the Board shall adopt and thereafter ensure Bank adherence to the plan. The Board shall provide written notice to the Assistant Deputy Comptroller prior to making any changes or modifications to the plan.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE IV.

PROFIT PLANNING

(1) Within ninety (90) days, the Board shall revise its written profit plan to improve and sustain the earnings of the Bank and to address the findings contained in the Report or any subsequent Report. This plan shall include, at minimum, the following elements:

(a) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance, including the impact of executive officer compensation, particularly in light of the bank's current financial condition;

(b) a budget review process to monitor both the Bank's income and expenses, and to compare actual figures with budgetary projections; and

(c) a description of the operating assumptions that form the basis for major projected income and expense components, including non-interest income, loan originations, lending product introductions, runoff and pricing and changes to the bank's deposit mix, deposit product offerings and pricing strategies.

(2) The Bank shall submit to the Assistant Deputy Comptroller annual budgets as described in paragraph (1) above for each year this Order remains in effect. The budget for each year shall be submitted on or before November 30, of the preceding year.

(3) The Bank shall forward comparisons of its balance sheet and profit and loss statement to the profit plan projections to the Assistant Deputy Comptroller on a quarterly basis.

ARTICLE V.

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall continue to maintain the following capital levels (as defined in 12 C.F.R. Part 3):

(a) Total Capital at least equal to thirteen percent (13%) of risk-weighted assets;

(b) Tier One Capital at least equal to eleven (11%) of risk-weighted assets; and

(c) Tier One Capital at least equal to nine and one half percent (9.5%) of adjusted total assets.[1]

[1] Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure used for Call Report purposes minus end-of-quarter intangible assets.

(2) The requirement in this Agreement to maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(3) Within ninety (90) days the Board must also review and revise the Bank's three-year capital program to include the following:

(a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);

(b) projections for and, restrictions upon, 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 current and future needs, including maintaining liquidity at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base;

(d) the primary source(s) from which the Bank will strengthen its capital structure if necessary to meet the Bank's needs;

(e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available, including the sale, merger, or liquidation of the Bank; and

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

(i) when the Bank is in compliance with its approved capital program and the requirements set forth in paragraph (1);

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

(iii) with the prior written determination of no supervisory objection of the Assistant Deputy Comptroller.

(4) The Board shall ensure that the capital program remains consistent with the requirements outlined above and that the Bank continues to adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Assistant Deputy Comptroller.

ARTICLE VI.

CREDIT RISK MANAGEMENT

(1) Within ninety (90) days, the Board shall review and revise, and thereafter ensure adherence to, the Bank's credit risk management process to ensure satisfactory control systems and address any findings noted in the Report or any subsequent Report. The program shall include, but not be limited to:

(a) revision of the Bank's procedures to ensure accuracy of risk ratings and proper and timely problem loan identification, including non-accrual loans;

(b) revision of the Bank's procedures to ensure quality financial analysis and documentation for existing and renewed credits;

(c) an underwriting analysis for new loans, along with the periodic review of existing credits, that includes an appropriate stress testing of the credit's key variables;

(d) revision of the Bank's procedures to ensure ongoing guarantor analysis, to include a review of the borrower's or guarantor's global cash flow analysis and analysis of contingent liabilities;

(e) revision of the Bank's procedures to ensure that all development projects have plans and that management is effectively monitoring actual progress with respect to the plan;

(f) revision or development of systems that will capture and aggregate loans by amortization terms and report them as percentages of total loans and capital; and

(g) revision of bank policies to establish limits and the appropriate use of interest only loans.

(2) At least quarterly, management shall prepare a written assessment of the Bank's credit risk for review by the Board, which shall evaluate the Bank's progress under the program required in this Article. The Board shall submit a copy of this assessment to the Assistant Deputy Comptroller.

(3) The Bank shall submit a copy of the program to the Assistant Deputy Comptroller. The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program, as reflected and incorporated in the Bank's enhanced lending policies, developed pursuant to this Article.

ARTICLE VII.

LIQUIDITY AND CONTINGENCY FUNDING PLAN

(1) Within ninety (90) days, the Board shall review and revise the Bank's Liquidity Risk Management program to identify and reduce the bank's liquidity risk exposures. In addition, the Board shall revise the bank's Contingency Funding Plan to address matters noted and to address the findings contained in the Report or any subsequent Report. The liquidity program shall address, at a minimum:

(a) the establishment of rollover risk limits whereas the volume of deposits and borrowings maturing within the next twelve months is limited to prudent levels;

(b) evaluation of the bank's funding strategy to identify ways to reduce the bank's dependency on wholesale and highly-price sensitive funding and to diversify funding sources, in general;

(c) the impact of the need for FDIC approval to book or renew brokered deposits, given the Bank's less than well-capitalized status within the meaning of Prompt Corrective Action;

(d) the establishment of minimum asset liquidity guidelines commensurate with the level of credit risk associated with the loan portfolio as well as significant funds providers;

(e) the enhancements of Board and management reports that show compliance with established policy guidelines, as well as providing meaningful aggregation and trend analysis.

(2) The following items should be included when developing CFP assumptions and stress scenarios:

(a) measuring the impact of a potential or actual rise in a bank's costs of funds during the assessment of liquidity, earnings, and capital;

(b) developing and monitoring deposit retention reports to track the trends in depositor behavior and address funding needs in a timely manner. As conditions deteriorate, the frequency of reporting will be accelerated.

(c) expanding the assumptions section to appropriately reflect the bank's balance sheet structure, funds provider and depositor behaviors based on the severity of stressed scenario. Documented support for each assumption shall be maintained and adjusted accordingly;

(d) ensuring changes to loan portfolio cash flow assumptions and projections are reflective of credit quality deterioration, and make plans for alternative funding sources, if needed. These assumption changes should be commensurate with anticipated non-performance in the portfolios experiencing credit quality deterioration.

(e) developing guidelines governing the frequency of assumption and scenario revisions as market conditions change.

(3) Prior to adoption, a copy of the enhanced CFP and ALCO policy shall be forwarded to the Assistant Deputy Comptroller. Upon written notice of no supervisory objection, the Board shall adopt and thereafter ensure Bank adherence to the plan. The Board shall provide written notice to the Assistant Deputy Comptroller prior to making any changes or modifications to the plan.

(4) The Board shall ensure that the Bank has satisfactory processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE VIII.

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within ninety (90) days, the Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses ("Allowance") and shall revise the program for the maintenance of an adequate Allowance, to the extent not already accomplished, to address the findings contained in the Report or any subsequent Report. This program shall address the comments on maintaining a proper Allowance found in the "Allowance for Loan and Lease Losses" booklet of the Comptroller's Handbook, and shall focus particular attention on the following corrective measures:

(a) charge-off any excess of the loan over an updated appraisal, when the collection of a loan is "collateral-dependent", and within the quarter of discovery. When determining the FAS 114 component for individually impaired loans, management needs to consider estimated costs to sell the collateral (if any) on a discounted basis in measuring impairment if those costs are expected to reduce the cash flows available to repay or otherwise satisfy the loan.;

(b) re-evaluate the qualitative factor adjustments, particularly those for classified and criticized asset trends, the economic environment and geographic, industry, property type, and large borrower concentrations. The economic environment factor adjustment should encompass local real estate market conditions, including levels and trends of home prices, inventories, and days on market, etc.;

(c) compare the trends of non-performing, criticized assets, and total loans to the level of the ALLL on a quarterly basis. If the relative growth of the ALLL falls short of the other factors, evaluate the need for higher provisioning; and

(d) enhance all trend analysis to consider both short-term and longer-term trends.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

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

ARTICLE IX.

CONCENTRATIONS OF CREDIT

(1) Within ninety (90) days, the Board shall revise its written plan detailing how it will (a) reduce the Bank's concentration of credit in commercial real estate; and (b) improve the Bank's process to identify, monitor, measure, and control concentrations of credit, including specific controls for exposures to large borrowers, loans outside of the bank's marketplace, types of deposits, and borrowings. The written plan shall comply with *OCC Bulletin 2006-46, Concentrations in Commercial Real Estate, Sound Risk Management Practices* (December 6, 2006) and shall address findings contained in the Report or any subsequent Report.

(2) The Bank shall forward a copy of this plan to the Assistant Deputy Comptroller for review and prior supervisory objection immediately following completion. Upon written notice of no supervisory objection, the Board shall adopt and thereafter ensure Bank adherence to the plan. The Board shall provide written notice to the Assistant Deputy Comptroller prior to making any changes or modifications to the plan.

(3) Within ninety (90) days, the Board shall revise its written asset and liability diversification program to address findings in the Report or any subsequent Report. The program shall include, but not necessarily be limited to, the following:

(a) a review of the bank's assets to identify significant borrower, or borrowing group, loans, geographical, industry, and property-type concentrations, and loans outside of the bank's marketing area;

(b) a review of the bank's liabilities to identify large funding concentrations or large funds providers, including large single or groups of depositors, brokered deposits and FHLB borrowings;

(c) a written analysis of any concentration of risk identified above in order to identify and assess the inherent credit, liquidity, and interest rate risk;

(d) policies, internal limits, and procedures to control and monitor concentration of risk;

(e) a process for periodic review and adjustments of internal limits, policies, and procedures;

(f) a policy on Board and management reports that show compliance with established policy guidelines and limits and provide meaningful trend analysis; and

(g) an action plan approved by the Board to reduce the risk of any concentration deemed imprudent in the above analysis.

(4) For purposes of this Article, a concentration of credit is as defined in the "Loan Portfolio Management" booklet of the Comptroller's Handbook. In addition, a funding concentration is as defined in the "Liquidity" booklet of the Comptrollers Handbook.

(5) The Board shall ensure the formulation of Board-approved commercial real estate exposure limits and sub-limits covering non-owner occupied and owner occupied properties and addressing property type, related borrower groups, and geographic location of the collateral.

(6) The Board shall ensure that future concentrations of risk are subject to the analysis required by sub-paragraph (c) of paragraph (3) in this Article and that the analysis

demonstrates that the concentration will not subject the Bank to undue credit, liquidity, or interest rate risk.

(7) The Bank shall forward a copy of any analysis performed on existing or potential concentrations of risk to the Assistant Deputy Comptroller immediately following the review. Upon written notice of no supervisory objection, the Board shall adopt and thereafter ensure Bank adherence to the program. The Board shall provide written notice to the Assistant Deputy Comptroller prior to making any changes or modifications to the program.

(8) The Board shall ensure that the Bank has satisfactory processes, personnel and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE X.

BANK SECRECY ACT RISK RATING AND MONITORING

(1) Within sixty (60) days, the Board shall revise the Bank's written program of policies and procedures governing the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the Bank Secrecy Act ("BSA"), as amended (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control ("OFAC") (collectively referred to as the "Bank Secrecy Act" or "BSA") to address the findings contained in the Report or any subsequent Report.

(2) The BSA Officer or his/her designee shall periodically review, not less than each calendar year, all account documentation for all high risk accounts and the related accounts of

those customers at the Bank to determine whether the account activity is consistent with the customer's business and the stated purpose of the account.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to implement and adhere to the program developed pursuant to this Article.

ARTICLE XI.

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound supervision 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 Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(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) 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.

(6) 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.

IT IS SO ORDERED, this 5th day of November, 2010.

/s/

Rita Kuehn
Assistant Deputy Comptroller
New York Metro North Field Office

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

In the Matter of:	)
Metropolitan National Bank	)
New York, New York	)

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") intends to initiate cease and desist proceedings against Metropolitan National Bank, New York, New York ("Bank") pursuant to 12 U.S.C. § 1818(b) for unsafe and unsound banking practices that have resulted in the Bank's poor financial condition and deficient earnings and asset quality.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated 11/5/10 ("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) This Order shall cause the Bank to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(6), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

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) This Order supersedes and terminates the Formal Agreement entered into with the Bank on July 23, 2009.

(3) 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 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 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.

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

<u>Other Action</u>

(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, it deems it appropriate to do so to fulfill the responsibilities placed upon it 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 her hand on behalf of the Comptroller.

/s/ 11/5/10

Rita Kuehn
Assistant Deputy Comptroller
New York Metro North Field Office

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/	11/5/10
Mark R. DeFazio	Date
/s/	11/8/10
Benjamin C. Fishoff	Date
/s/	11/5/10
David M. Gavrin	Date
/s/	11/5/10
Mark H. Goldberg	Date
/s/	11/5/10
Harvey M. Gutman	Date
/s/	11/5/10
Walter Harris	Date
/s/	11/5/10
Robert C. Patent	Date
/s/	11/17/10
James M. Trucksess, Jr.	Date
/s/	11/5/10
George J. Wolf, Jr.	Date