#2011-056

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

In the Matter of:	)
Southwestern National Bank	)
Houston, Texas	)

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over Southwestern National Bank ("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 __3-24-2011__, that 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.

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 a Compliance Committee of at least five (5) 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. 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 Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

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

(3) Within forty-five (45) days of the date of this Agreement and quarterly 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 Agreement;

(b) actions taken to comply with each Article of this Agreement; 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 Assistant Deputy Comptroller within ten (10) days of receiving such report.

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

ARTICLE II

CAPITAL PLAN AND HIGHER MINIMUMS

(1) Within ninety (90) days, the Bank shall maintain, at a minimum, the following capital levels (which are defined in 12 C.F.R. Part 3):

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

(b) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.

(2) The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed “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 forty-five (45) days, the Board shall review, revise, and thereafter ensure compliance with its capital program, which shall span a three year period. The program shall include:

(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 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;

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

(e) contingency plans that identify alternative methods should the primary source(s) under (d) above 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 program;

(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 by the Assistant Deputy Comptroller.

(4) Upon revision, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller within ten (10) days for a prior determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and 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.

(5) If the Bank fails to submit an acceptable Capital Plan as required by paragraph (3) of this Article, fails to implement or adhere to a Capital Plan to which the ADC has taken no supervisory objection pursuant to paragraph (4) of this Article, or fails to achieve and maintain the minimum capital ratios as required by paragraph (1) of this Article, then in the OCC’s sole discretion, the Bank shall, upon direction of the OCC, within forty-five (45) days develop and shall submit to the ADC for his review and prior written determination of no supervisory objection a Disposition Plan that shall detail the Board’s proposal to sell or merge the Bank, or liquidate the Bank under 12 U.S.C. § 181. After the OCC has advised the Bank that it does not take supervisory objection to the Disposition Plan, the Board shall immediately implement, and shall thereafter ensure adherence to, the terms of the Disposition Plan. Failure to submit a timely, acceptable Disposition Plan may be deemed a violation of this Order, in the exercise of the OCC’s sole discretion.

(6) 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 III

LOAN PORTFOLIO MANAGEMENT

(1) Within forty-five (45) days, the Board shall ensure that management review, revise, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The program shall include, but not be limited to:

(a) procedures to ensure satisfactory and perfected collateral documentation;

(b) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;

(c) procedures to ensure conformance with loan approval requirements;

(d) procedures describing when loan agreements are required, the methods through which they should be documented, and the methods through which they will be enforced;

(e) procedures to ensure loan officers have a thorough understanding of the use and enforcement of financial convenants;

(f) a system to track and analyze exceptions;

(g) procedures to ensure conformance with Call Report instructions;

(h) procedures to ensure the accuracy of internal management information systems;

(i) procedures in conformance with *OCC Advisory Letter 2003-9, Independent Appraisal and Evaluation Functions*, to ensure that appraisals and evaluations are reviewed for reasonableness by qualified individuals who are not involved in the loan production process and that new appraisals are ordered when required;

(j) procedures to correct any credit administration deficiencies identified in the ROE or any subsequent ROE;

(k) procedures to ensure that all members of the bank's lending staff possess or acquire sufficient skills to function effectively in their respective roles;

(l) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately consider their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and

(m) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios.

(2) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller.

(3) Within forty-five (45) days, the Board shall ensure that management review, revise, and thereafter ensure Bank adherence to systems which provide for effective monitoring of:

(a) early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;

(b) statistical records that will serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, division, group, indirect dealer, and individual lending officer;

(c) previously charged-off assets and their recovery potential;

(d) compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function;

(e) adequacy of credit and collateral documentation; and

(f) concentrations of credit.

(4) Beginning June 30, 2011 and on a quarterly basis thereafter, management shall provide the Board or designated committee with written reports including, at a minimum, the following information:

(a) the identification, type, rating, and amount of problem loans and leases;

(b) the identification and amount of delinquent loans and leases;

(c) credit and collateral documentation exceptions;

(d) the identification and status of credit related violations of law, rule or regulation;

(e) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (a) through (d) of this Article and Paragraph;

(f) an analysis of concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank’s loan and lease portfolios;

(g) the identification and amount of loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and

(h) the identification of loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

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

ARTICLE IV

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.

(2) Within forty-five (45) days, the Board shall ensure that management review, revise, and thereafter ensure Bank adherence to a written program that is effective in eliminating the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall require the Bank to consider for each criticized asset, at a minimum:

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

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

(c) an analysis of current and satisfactory credit information, including cash flow analysis where loans or securities are to be repaid from operations; and

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

(3) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller within ten (10) days. Any subsequent modifications or additions to the program shall be forwarded to the Assistant Deputy Comptroller with ten (10) days of the modification or addition.

(4) The Board, or a designated committee, shall review on a quarterly basis the status of each asset (or portion thereof) rated "special mention" that equals or exceeds five hundred thousand dollars ($500,000) and shall review on a monthly basis the status of each asset (or portion thereof) rated "doubtful" or "substandard" that equals or exceeds five hundred thousand dollars ($500,000). Status updates for each criticized asset (or portion thereof) that equals or exceeds five hundred thousand dollars ($500,000) shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis. The status updates shall follow a format similar to Appendix A, attached hereto.

(5) On a quarterly basis, the Board, or a designated committee, shall conduct a written review of the criticized asset program developed pursuant to this Article to determine:

(a) management's adherence to the program adopted pursuant to this Article;

(b) the status and effectiveness of the written program; and

(c) the need to revise the program or take alternative action.

(6) A copy of the written review of the criticized asset program shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis.

(7) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed five hundred thousand dollars ($500,000) only if 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 prior to renewing, extending or capitalizing any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

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

(8) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

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

ARTICLE V

COMMERCIAL REAL ESTATE - CONCENTRATIONS OF CREDIT

(1) Within forty-five (45) days, the Board shall ensure that management review, revise, and thereafter ensure Bank adherence to a written commercial real estate ("CRE") concentration risk management program consistent with OCC Bulletin 2006-46. The program shall be effective in reducing and managing concentrations of credit and include, but not necessarily be limited to, the following:

(a) Ongoing risk assessments to identify potential CRE concentrations in the portfolio, including exposures to similar interrelated groups of borrowers;

(b) Board and management oversight of CRE concentrations, to include:

(i) Policy guidelines and an overall CRE lending strategy, including actions required when the Bank approaches the limits of its CRE guidelines;

(ii) Procedures and controls to effectively adhere to and monitor compliance with the Bank's lending policies and strategies;

(iii) Regular review of information and reports that identify, analyze and quantify the nature and level of risk presented by CRE concentrations; and

(iv) Periodic review and approval of CRE risk exposure limits. policies and procedures to control and monitor concentrations of credit; and

(c) Portfolio management, to include internal lending guidelines and concentration limits that control the Bank's overall risk exposure to CRE, and a contingency plan to reduce or mitigate concentrations in the event of adverse market conditions;

(d) Management information systems, to provide sufficient timely information to management to identify, measure, monitor or manage CRE concentration risk;

(e) Periodic market analysis, to provide management and the Board with information to assess whether its CRE lending strategy and policies continue to be appropriate in light of changes in CRE market conditions;

(f) Credit underwriting standard for CRE, to include:

(i) Maximum loan amount by type of property;

(ii) Loan terms;

(iii) Pricing structures;

(iv) Collateral valuations;

(v) Loan-to-value limits by property type;

(vi) Requirements for feasibility studies and sensitivity analysis or stress testing;

(vii) Minimum requirements for initial investment and maintenance of hard equity by the borrower; and

(viii) Minimum standards for borrower net worth, property cash flow and debt service coverage for property;

(g) Portfolio stress testing and sensitivity analysis of CRE concentrations; and

(h) Credit risk review of CRE, to include an effective, accurate and timely risk-rating system.

(2) The Board shall forward a copy of any analysis performed on existing or potential CRE concentrations to the Assistant Deputy Comptroller immediately following the review.

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

ARTICLE VI

LIQUIDITY

(1) On an on-going basis, the Board shall ensure adequate sources of liquidity in relation to the Bank's needs. Liquidity must be maintained 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.

(2) Within forty-five (45) days, the Bank shall review, revise, and thereafter ensure Bank adherence to a Liquidity Program to improve the Bank's liquidity position and maintain adequate sources of stable funding. The plan shall include:

(a) target amounts for the bank's acquisition of additional stable funding and reduction of non-core funding;

(b) the methods through which the bank will acquire additional sources of stable funding and reduce dependency on non-core funding;

(c) the timeframes in which the bank intends to acquire additional sources of stable funding and reduce dependency on non-core funding.

(d) a Contingency Funding Plan that is reasonable and effective in ensuring that the Bank will continue to operate with adequate liquidity in the event of extraordinary demands against its funding base. The plan shall be detailed and include consideration of changing liquidity sources in the event of liquidity stress events and changes in collateral requirements in the event of liquidity stress events. The Contingency Funding Plan shall:

(i) clearly define bank staff's responsibility to implement the plan; and

(ii) identify triggers or stress events that will result in the immediate implementation of the plan.

(4) Upon completion of the Liquidity Program, the Board shall forward a copy to the Assistant Deputy Comptroller.

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

ARTICLE VII

STAFFING OF CREDIT ADMINISTRATION AND LENDING FUNCTIONS

(1) Within sixty (60) days, the Board shall ensure that the structure, expertise, and level of staffing in the Bank's credit administration and loan departments is sufficient to remedy any deficiencies identified in the Report of Examination and to otherwise ensure that the credit administration and loan departments operate in a safe and sound manner. In ensuring that bank employees possess sufficient experience, the Board shall consider the employees' effectiveness regarding: administering the loan portfolio; identifying problem loans; reducing the level of problem loans; managing concentrations of credit; overseeing LTV exceptions; monitoring credit and collateral exceptions; providing detailed, accurate, and timely reports to management and the Board; remedying any deficiencies identified in the Report of Examination; and otherwise performing duties in a safe and sound manner.

(2) In fulfilling the requirements of this Article, within sixty (60) days, the Board shall develop a written staffing plan that is consistent with the goals and objectives established in the Bank's strategic plan and that takes into account the overall risk profile of the Bank. At a minimum, the plan shall consist of the following:

(a) identification of the skills and expertise needed to develop, market, and administer the products identified in the strategic plan;

(b) identification of the skills and expertise of the Bank's current staff/staffing levels (taking into account weaknesses identified in the Report of Examination);

(c) comparison of the current staff's skills and expertise identified in (2)(b) of this Article to the skills and expertise needed to develop, market, and administer the products in the strategic plan, as identified in (2)(a); and

(d) determinations regarding whether staff should be reallocated or receive additional training and what level of additional staff is needed.

(3) Upon completion, a copy of the staffing plan shall be forwarded to the Assistant Deputy Comptroller for review and a prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall adopt, implement, and thereafter adhere to the staffing plan.

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

ARTICLE VIII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall ensure that management review the adequacy of the Bank's Allowance for Loan and Lease Losses (“Allowance”) and shall establish a program for the maintenance of an adequate Allowance. This review and program shall be designed in light of 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 factors:

(a) results of the Bank's internal loan review;

(b) results of the Bank's external loan review;

(c) an estimate of inherent loss exposure on each significant credit;

(d) an estimate of inherent loss exposure on each credit in excess of five hundred thousand dollars ($500,000);

(e) loan loss experience;

(f) trends of delinquent and nonaccrual loans;

(g) concentrations of credit in the Bank;

(h) present and prospective economic conditions; and

(i) deficiencies identified in any Report of Examination.

(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

STRATEGIC PLAN

(1) Within sixty (60) days, the Board shall adopt, and thereafter ensure Bank implementation and adherence to a written strategic plan for the Bank, which shall cover at least a three-year period. 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, at a minimum, include:

(a) a mission statement that forms the framework for the establishment of strategic goals and objectives;

(b) an assessment of the Bank's present and future operating environment;

(c) the development of strategic goals and objectives to be accomplished over the short and long term;

(d) an identification of the Bank’s present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;

(e) 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 developed under (1)(c) of this Article;

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

(g) product line development and market segments that the Bank intends to promote or develop;

(h) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames, which shall include:

    (i) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;

    (ii) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;

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

    (iv) a description of the operating assumptions that form the basis for major projected income and expense components.

(i) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;

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

(k) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and

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

(2) Upon revision, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the strategic 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 X

CONCLUSION

(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 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 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) In each instance in this Order in which the Board is required to ensure 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 to perform its 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.

IT IS SO ORDERED, this 24th day of March, 2011.

/S/

Francis Alleman, Jr.
Assistant Deputy Comptroller
Houston Field Office

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

In the Matter of:	)
Southwestern National Bank	)
Houston, Texas	)

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 Southwestern National Bank ("Bank") pursuant to 12 U.S.C. § 1818(b), for unsafe and unsound banking practices including practices relating to capital, asset quality, earnings, and liquidity.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated ___3-24-2011____ ("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 V

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 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 VI

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 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.

(3) 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 VII

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 VIII

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, 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 his hand on behalf of the Comptroller.

/S/	March 24, 2011
Francis Alleman, Jr. Assistant Deputy Comptroller Houston 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/ Doris Chen	3/24/2011 Date
/S/ Jim T. Chow	3/24/2011 Date
/S/ Thu-Binh Si Ho	3/24/2011 Date
/S/ Michael Hong	3/24/2011 Date
/S/ Sean Hou	3/24/2011 Date
/S/ Ted K. C. Hsieh	3/24/2011 Date
/S/ Sam Hwong	3/24/2011 Date
/S/ C. K. Lee	3/24/2011 Date
/S/ Wea Hwa Lee	3/24/2011 Date
/S/ Edwin Malmgren	3/24/2011 Date
/S/ Gary Owens	3/24/2011 Date
/S/ Hasmukh Patel	3/24/2011 Date