

**#2004-32**

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

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**In the Matter of:**

AA-EC-04-06

First Liberty National Bank  
Washington, D.C.

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**CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has examined First Liberty National Bank, Washington, D.C. (“Bank”);

WHEREAS, the Bank has engaged in violations of 12 U.S.C. § 161 and a violation of 12 C.F.R. § 21.11;

WHEREAS, the Bank has engaged in unsafe and unsound practices and has violated 12 C.F.R. Part 30 by failing to maintain adequate audit procedures;

WHEREAS, the Bank has engaged in a transaction with The Central Bank of the Gambia (“The Central Bank”) involving the extension of a \$28,000,000 loan to The Central Bank without adequate due diligence for the express purpose of funding a \$28,000,000 certificate of deposit, a transaction which had no legitimate business purpose and exposed the Bank to litigation and reputation risk;

WHEREAS, in the interest of cooperation, compromise, and settlement, and to avoid the costs associated with future administrative and judicial proceedings, the Comptroller and the Bank desire to enter into this Consent Order (“Order”);

NOW, THEREFORE, the Bank, by and through its duly elected and acting Board of Directors (“Board”), while neither admitting nor denying any violations of law and regulations, has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated 4/23/04, that is accepted by the Comptroller. By this Stipulation and Consent, incorporated herein by reference, the Bank has consented to the issuance of this Order by the Comptroller.

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

## ARTICLE I

### COMPLIANCE COMMITTEE

(1) Within fifteen (15) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which none shall be employees 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 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) Within forty-five (45) days of the appointment of the Committee and every thirty (30) days thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) actions taken to comply with each Article of this Order; and
- (b) the results 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.

## ARTICLE II

### MANAGEMENT AND BOARD SUPERVISION STUDY

(1) Within ninety (90) days the Board shall employ an independent outside management consultant. Prior to employment of the consultant, the name and the qualifications of the consultant considered for employment shall be submitted to the John Quill, Assistant Deputy Comptroller, Washington, D.C. Field Office, 250 E Street, S.W., Washington, D.C. 20219 (“Assistant Deputy Comptroller”), for a prior determination of no supervisory objection.

(2) The requirement to submit information and provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Assistant Deputy Comptroller to complete his/her review and act on any such information or authority within ninety (90) days.

(3) Within one hundred thirty-five (135) days, the Consultant shall complete a study of current management and Board supervision presently being provided to the Bank, the Bank’s management structure, and its staffing requirements in light of the Bank’s present condition. The findings and recommendations of the Consultant shall be set forth in a written report to the Board. At a minimum, the report shall contain:

- (a) the identification of present and future management and staffing requirements of each area of the Bank;
- (b) detailed written job descriptions for all executive officers;
- (c) an evaluation of each officer’s qualifications and abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of his/her officer position;

- (d) recommendations as to whether management or staffing changes should be made, including the need for additions to or deletions from the current management team;
- (e) objectives by which management's effectiveness will be measured;
- (f) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;
- (g) an evaluation of current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
- (h) a recommended organization chart that clearly reflects areas of responsibility and lines of authority for all officers, including the Bank's president and chief executive officer;
- (i) an assessment of the Board's strengths and weaknesses along with a director education program designed to strengthen identified weaknesses;
- (j) an assessment of whether Board members are receiving adequate information on the operation of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;
- (k) recommendations to expand the scope, frequency and sufficiency of information provided to the Board by management;
- (l) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and
- (m) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(4) Within thirty (30) days of completion of this study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan, with specific time frames, that will correct any deficiencies that are noted in the study.

(5) 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.

(6) Copies of the Board's written plan and the Consultant's study shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and its compliance with the terms of this Order. In the event the written plan, or any portion thereof, is not implemented, the Board shall immediately advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

### ARTICLE III

#### THE BOARD SHALL ENSURE THE BANK HAS COMPETENT MANAGEMENT

(1) The Board shall, within thirty (30) days, ensure that the Bank has competent management in place in the President position to carry out the Board's policies, to ensure compliance with this Order, applicable laws, rules and regulations, and to manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Prior to the Board's appointment of any executive officer pursuant to paragraph (1) of this Article, the Board shall submit to the Assistant Deputy Comptroller the following information for a prior determination of no supervisory objection:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" booklet of the Comptroller's Corporate Manual, together with a legible fingerprint card for the proposed individual;

(b) a written statement of the Board's reasons for selecting the proposed officer; and

(c) a written description of the proposed officer's duties and responsibilities.

(3) The requirement to submit information and the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

#### ARTICLE IV

##### BOOKS AND RECORDS

(1) The Board shall immediately take all necessary actions to ensure that the Banks books, records and management information systems (MIS) are maintained in a complete and accurate condition.

(2) Within twenty days (20), the Board shall submit to the Assistant Deputy Comptroller an action plan detailing how the Board will ensure that the Bank's books, records and MIS are maintained in a complete and accurate condition, setting forth a timetable for implementing the plan. The plan shall address the staffing, expertise, systems, and reports necessary to ensure that the Bank's books and records are maintained in a complete and accurate condition. In the event the Assistant Deputy Comptroller recommends changes to the action plan, the Board shall immediately incorporate those changes into the plan.

#### ARTICLE V

##### FOREIGN LENDING

(1) Effective immediately, the Bank shall not accept, hold, or transfer funds, or make any loan or extension of credit, as that term is defined in 12 C.F.R. § 32.2(k), to any foreign official

or foreign government or agency, or instrumentality thereof, without a prior determination of no supervisory objection by the Assistant Deputy Comptroller.

(2) The requirement to submit information and/or the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

(3) Effective immediately, the Bank shall not engage in any transactions brokered or introduced to the Bank by Jamil Zouaoui, Falcon Strategic Management, Abdul Hakim Dyer, Mahdi El-Senussi, or these parties' associates or related interests.

(4) "Foreign" within the meaning of this Order means any jurisdiction outside the continental United States, Alaska, and Hawaii.

## ARTICLE VI

### TRANSACTIONAL RESTRICTIONS

(1) Effective immediately, the Bank shall not extend, endorse, guarantee, or in any manner provide any extension of credit in excess of five hundred thousand dollars (\$500,000), regardless of the security pledged, without prior Board approval and documentation of such prior approval in the minutes of the meetings of the Board.

## ARTICLE VII

### SUSPICIOUS ACTIVITY REPORTS

(1) Within thirty (30) days, the Bank, subject to Board review, approval and ongoing monitoring, shall develop, implement, and adhere to a written program to establish a system of internal controls and processes to ensure compliance with the requirements to file Suspicious Activity Reports set forth in 12 C.F.R. § 21.11, as amended. At a minimum, this written

program shall establish procedures for identifying and reporting known or suspected violations of Federal law, violations of the Bank Secrecy Act, or suspicious transactions related to money laundering activity, including suspicious activity relating to the opening of new accounts, the monitoring of current accounts, and the transfer of funds through the Bank.

(2) Upon completion, a copy of this program shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the program, the Board shall immediately incorporate those changes into the program.

(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 VIII

### CALL REPORTS

(1) Within thirty (30) days, the Board shall adopt and cause the Bank to implement 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. Thereafter the Board shall ensure Bank adherence to the policies and procedures adopted pursuant to this Article.

(2) Upon completion of the policies, the Board shall submit a copy of the policies to the Assistant Deputy Comptroller.

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

## ARTICLE IX

### INTERNAL AUDIT



(1) Within forty-five (45) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) 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;
- (d) ensure adequate audit coverage in all areas; and
- (e) 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 evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(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.

(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, that 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 Assistant Deputy Comptroller.

## ARTICLE X

### SERVICE AGREEMENTS WITH OUTSIDE PARTIES

(1) Before entering into a contractual agreement which exceeds or is projected to exceed twenty five thousand dollars (\$25,000) on an annual basis with any party (servicer) which provides services to the Bank including data processing, loan applications processing, account management and management information systems (MIS), the Board shall ensure that the Bank performs 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 that the Bank assesses the financial strength of the servicer and shall determine the ongoing viability of the servicer. If the Bank's evaluation does not demonstrate that the servicer possesses these attributes, then the Bank shall not enter into the agreement. The Bank shall

submit to the Assistant Deputy Comptroller a copy of their written evaluation before the execution of a contract with any servicer.

(2) Within sixty (60) days, the Board shall ensure that the Bank prepares the aforementioned written analysis with regard to any servicer with which the Bank has entered into an existing contractual service agreement, which will be in effect following the sixty (60) day period, and shall submit a copy to the Assistant Deputy Comptroller.

(3) The Board shall designate a Bank officer to monitor the operations of such servicer(s) and to submit to the Board, at least quarterly, 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 Assistant Deputy Comptroller.

(4) In the event that the aforementioned written appraisals demonstrate that such servicer(s) has or have 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 ensure that the contract between the Bank and servicer(s) is terminated.

## ARTICLE XI

### ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall 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, A-ALLL, of the Comptroller's Handbook, and shall focus particular attention on the following factors:

- (a) results of the Bank's external loan review;
- (b) an estimate of inherent loss exposure on each significant problem credit;
- (c) loan loss experience;
- (d) trends of delinquent and nonaccrual loans;
- (e) concentrations of credit in the Bank;
- (f) present and prospective economic conditions; and
- (g) all other qualitative factors as outlined in the Comptroller's Handbook.

(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 XII

### BANK INFORMATION SYSTEMS RESUMPTION AND CONTINGENCY PLAN

(1) Within 90 days, the Bank shall develop and test a formal Bank Information Systems Resumption and Corporate Contingency Plan which, at a minimum, complies with the requirements set forth in Banking Circular Number 177 (Revised), dated July 12, 1989.

(2) Within 90 days, and at least annually thereafter, the Board shall review its Bank Information Systems resumption and contingency planning and perform a test of all necessary programs and system applications using its backup location, or recovery operation center, to

ensure the continuation of operations in the event of a disaster. The Board shall document the results of this review and test in its meeting minutes.

(3) A copy of the plan and test results shall be forwarded to the Assistant Deputy Comptroller for review.

### ARTICLE XIII

#### TAX LIEN PORTFOLIO ADMINISTRATION AND SUPERVISION

(1) Within ninety (90) days, if the Bank maintains its Tax Lien Portfolio, the Board shall:

- (a) review and revise as necessary the bank's Tax Lien Policy to ensure it provides sufficient risk parameters and management direction in accordance with safe and sound operating procedures; and
- (b) submit a copy of the revised policy to the Assistant Deputy Comptroller for no objection.

(2) Within ninety (90) days, and annually thereafter, the Board shall:

- (a) review the bank's contract with the tax lien service provider to ensure it provides for all applicable policy requirements; and
- (b) engage an independent and qualified internal audit of the tax lien portfolio and relationship with the service provider to assess compliance with policy requirements.

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

(4) The Board shall not amend, alter, or rescind the policy adopted pursuant to this Article without a prior determination of no supervisory objection by the Assistant Deputy Comptroller.

(5) The requirement to submit information and/or the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

#### ARTICLE XIV

##### VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the ROE and in any subsequent Report of Examination. The monthly progress reports required by Article I of this Order shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within forty-five (45) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

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

## ARTICLE XV

### ACCOUNTING FOR PROFIT ON THE CENTRAL BANK TRANSACTION

(1) Within ten (10) days of the execution of this Order, the Bank shall account for two hundred and fifteen thousand dollars (\$215,000), the approximate fees and net interest earned by the Bank on its transaction with The Central Bank of the Gambia, as appropriated retained earnings by taking the following steps:

- (a) debiting retained earnings by \$215,000; and
- (b) crediting appropriated retained earnings by \$215,000.

(2) In addition to the accounting entries required by paragraph (1) of this Article, the Bank shall incorporate a footnote into its financial statements that accompanies the accounting entries required by paragraph (1) which states the following: “This amount is being held in appropriated earnings because it represents the fees and net interest earned from a transaction with The Central Bank of the Gambia, which had no legitimate business purpose. The transaction consisted of a \$28,000,000 loan to The Central Bank of the Gambia, which was then used to fund a \$28,000,000 CD on the Bank’s books, offsetting the loan amount. This amount is included in the Bank’s capital; however, it is not available for the calculation of dividends. This amount will be released from appropriated earnings on February 10, 2006.”

(3) The Bank shall hold the \$215,000 in appropriated retained earnings until February 10, 2006.

(4) The Bank shall not include the \$215,000 in appropriated retained earnings for purposes of computing dividend eligibility.

## ARTICLE XVI

### SUCCESSORS IN INTEREST

(1) Article XV, paragraphs (1)-(3) shall succeed to and shall be binding upon any successor in interest to the Bank.

## ARTICLE XVII

### ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Board determines that an exception to any provision of this Order is in the best interests of the Bank, or requires an extension of any timeframe within this Order, the Board shall submit a written request to the Assistant Deputy Comptroller asking for relief.

(2) Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with any provision, that require the Assistant Deputy Comptroller to exempt the Bank from any provision, or that require an extension of any timeframe within this Order. All such requests shall be accompanied by relevant supporting documentation.

(3) The Assistant Deputy Comptroller's decision in granting the request is final and not subject to further review.

## ARTICLE XVIII



## CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior 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 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) 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 23rd day of April 2004.

*Signed*

*4/23/04*

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John Quill  
Assistant Deputy Comptroller  
Washington Field Office

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Date

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

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**In the Matter of:**

AA-EC-04-06

First Liberty National Bank  
Washington, D.C.

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

The Comptroller of the Currency of the United States of America (“Comptroller”) has initiated cease and desist proceedings against First Liberty National Bank, Washington, D.C. (“Bank”) pursuant to 12 U.S.C. § 1818(b).

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated 4/23/04 (“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).

## 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 Comptroller 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 Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency 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 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 seek any type of administrative or judicial review of the Order; and
- (d) 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/she deems it appropriate to do so to fulfill the responsibilities placed upon him/her 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/her hand on behalf of the Comptroller.

*Signed*

4/23/04

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John Quill  
Assistant Deputy Comptroller  
Washington Field Office

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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.

Signed

4/20/04

_____	_____
Dr. Madhu Mohan	Date
Signed	4/20/04
_____	_____
Richard Dean	Date
Signed	4/20/04
_____	_____
K.C. Goel	Date
Signed	4/20/04
_____	_____
Dr. Shailendra Kumar	Date
Signed	4/20/04
_____	_____
John Mahoney	Date
Signed	4/20/04
_____	_____
Arthur Mason	Date
_____	_____
	Date
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	Date
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	Date