

AGREEMENT BY AND BETWEEN
Saigon National Bank
Westminster, California
and
The Comptroller of the Currency

Saigon National Bank, Westminster, California and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has determined that the Bank has engaged in unsafe and unsound banking practices relating to its Board and management oversight, credit risk management and administration, liquidity risk management, and audit program.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (“Board”), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

Article I

JURISDICTION

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). *See* 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

Article II

COMPLIANCE COMMITTEE

(1) Within five (5) days of this Agreement, the Board shall appoint a Compliance Committee of at least four (4) members and, of which no more than one (1) shall be an employee 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.

(2) The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Agreement and shall meet at least monthly.

(3) By no later than June 30, 2010, and by the end of every calendar month 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 provide a summary report of the progress reached in attaining compliance with each Article of this Agreement to the Assistant Deputy Comptroller within twenty-five (25) days of the end of each calendar quarter.

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
Southern California – South Field Office
1925 Palomar Oaks Way, Suite 202
Carlsbad, California 92008

(6) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies, procedures and programs required by this Agreement.

Article III

BOARD SUPERVISION AND CORPORATE GOVERNANCE

(1) Within ninety (90) days of this Agreement, the Board shall take the necessary steps to eliminate the deficiencies in management leadership and Board oversight as described in the Report of Examination conducted as of September 30, 2009 (the “ROE”), to include specific actions for attaining the necessary management expertise and Board involvement to return the Bank to a safe and sound condition.

(2) Within ninety (90) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program (including appropriate policies and procedures) designed to correct the Bank’s deficiencies in Board and management oversight and corporate governance, including but not limited to:

- (a) the development of revised operating policies and procedures designed to ensure:
 - (i) the Board provides proper oversight of the affairs of the Bank;
 - (ii) the Board receives and reviews sufficient Bank information from management (including scope, frequency and content) on the operation of the Bank to enable them to provide proper oversight and fulfill their fiduciary duties and other responsibilities under law;
 - (iii) the Bank establishes and maintains proper lines of authority, reporting responsibilities, and delegation of duties for all officers; and
 - (iv) the Board eliminates any managerial or other deficiencies in the supervision or organizational structure of the Bank;
- (b) procedures to ensure accurate regulatory and Board reporting;
- (c) the development of revised internal controls to monitor policy adherence;
- (d) the assignment of accountability for processes;
- (e) requirements that management respond to audit, compliance, and regulatory criticisms with a written action plan that contains corrective actions to be taken, deadlines for taking the corrective action; and the individual responsible for making the corrective action;
- (f) procedures for formal review and approval by the Board of management's proposed response to audit, compliance, and regulatory criticisms;

- (g) the development and implementation of a tracking system that will ensure applicable criticisms are reported to the Board and corrected in a timely manner;
- (h) procedures to ensure the retention in the Bank's books and records of all written responses to audit, compliance, and regulatory criticisms; and documentation of Board approval of the written responses.

(3) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

Article IV

CAPITAL AND STRATEGIC PLAN

(1) Effective immediately, the Bank shall at all times maintain the following minimum capital ratios:

- (a) Tier 1 capital at least equal to ten (10.0%) of adjusted total assets; and
- (b) total risk-based capital at least equal to twelve percent (12.0%) of risk-weighted assets.

(2) For purposes of this Article, "tier 1 capital," "total risk-based capital," "adjusted total assets," and "risk-weighted assets" are as defined in 12 C.F.R. Part 3.

(3) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank is not to 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).

(4) Effective immediately, the Bank shall only declare dividends when:

- (a) the Bank is in compliance with the Bank's Three-Year Plan as described below;
- (b) the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
- (c) the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(5) Effective as of the date of this Agreement, the Bank shall not increase its total loans above the amount reported in the Bank's Consolidated Report of Condition ("Call Report") as of December 31, 2009 (the amount on schedule RC-C Part I, line 12), until it corrects the deficiencies described in the ROE, returns the Bank to a satisfactory condition, and receives a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(6) Within ninety (90) days of this Agreement, the Board shall develop a written strategic plan for the Bank covering at least the next three years (hereafter the "Bank's Three-Year Plan"), complete with specific time frames that incorporate the strategic and other requirements of this Article. A copy of the Bank's Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(7) The Bank's Three-Year Plan shall establish objectives and projections for the Bank's overall risk profile, earnings performance, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, product line development and market segments that the Bank intends to promote or develop, together with specific strategies to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

- (a) an assessment of the Bank's present and future operating environment;
- (b) goals and quantifiable measures with specific implementation dates regarding the Bank's operating performance;

- (c) identification of the major areas and means by which the Board and management will seek to improve earnings performance, that focuses in particular on items contributing to Bank interest income, cost of funds, and non-interest expenses;
- (d) 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 pursuant to this Article and consistent with the corporate governance required by Article III;
- (e) specific plans to establish responsibilities and accountability for the strategic planning process, diversification of risk, proposed changes in the Bank's operating environment, reduction of problem assets, and maintenance of adequate liquidity;
- (f) control systems to identify and reduce risk to earnings, capital, and liquidity, and risks associated with any proposed changes in the Bank's operating environment;
- (g) growth limitations designed to comply with Paragraph (5) of this Article and actions to monitor, control and reduce, where appropriate, significant concentrations of credit;
- (h) specific plans for the maintenance of adequate capital that may in no event be less than the requirements specified in Paragraph (1) of this Article and that include primary and secondary sources to meet current and future needs;

- (i) specific plans for the maintenance of adequate liquidity in accordance with the requirements of Article VI;
- (j) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (4) of this Article;
- (k) projections for capital and liquidity requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (l) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article; and
- (m) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(8) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three-Year Plan.

(9) If the Bank fails to submit an acceptable Three-Year Plan as required by Paragraphs (6) and (7) of this Article, fails to implement or adhere to a Three-Year Plan to which the Assistant Deputy Comptroller has taken no supervisory objection pursuant to Paragraph (8) of this Article, or fails to achieve and maintain the minimum capital ratios as required by Paragraph (1) of this Article, then, in the sole discretion of the Assistant Deputy Comptroller and within thirty (30) days of receiving written notice from the OCC of such fact, the Bank shall develop and submit to the Assistant Deputy Comptroller for review and prior written

determination of no supervisory objection, a Disposition Plan to either: (i) sell or merge the Bank, or (ii) liquidate the Bank in conformance with 12 U.S.C. § 181.

Article V

OPERATIONS STAFF

(1) Within sixty (60) days of this Agreement, the Board shall complete a study of current operations management and staffing of the Bank. The findings and recommendations shall be set forth in a written report (the “Operations Staff Study”). At a minimum, the Operations Staff Study shall contain:

- (a) the identification of present and future management and staffing requirements of the Bank that recognizes the need for individuals with skills in asset/liability management, liquidity management, contingency funding, interest rate risk management, investment strategy, and regulatory reporting;
- (b) an evaluation of the knowledge, skills, and abilities of each operations person and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of each respective position;
- (c) recommendations as to whether management or staffing changes should be made, including the need for additions to, or deletions from, the operations staffing and management team that considers the determinations made in Subparagraph (a);
- (d) where additions are determined necessary, specific determinations of whether the Bank needs to make deletions as well;

- (e) a recommended training program to address identified weaknesses in the skills and abilities of the operations management and staff; and
- (f) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the operations management of the Bank.

(2) Within twenty (20) days of the completion of the Operations Staff Study, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, an Operations Staff Plan (along with a copy of the Operations Staff Study), that is designed to provide the Bank with an operations staff that possesses the knowledge, skills and ability to ensure the Bank operates in a safe and sound manner and attains compliance with the various operations articles in this Agreement.

Article VI

LIQUIDITY MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall prepare and submit for a prior written determination of no supervisory objection, a written liquidity program to ensure the Bank maintains 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, to include at a minimum:

- (a) measures to maintain sufficient on-balance sheet liquidity;
- (b) measures to reduce and ensure limited reliance upon non-core funding sources, including brokered deposits and credit-sensitive wholesale borrowings;
- (c) the establishment of additional back-up funding sources;

- (d) policies and procedures to ensure the implementation of adequate liquidity planning tools, to include:
 - (i) a review of administrative policies and procedures to ensure they are consistent with the Board's guidance and risk tolerances;
 - (ii) specific balance sheet liquidity targets that are consistent with the tools used to measure performance;
 - (iii) reasonable risk limits to control the level of liquidity risk that incorporate forward-looking risk measurements and liability concentration limits such as limits on the amount of funds that may be sourced from any individual customer or groups of customers, or liability concentration limits by instrument; and
- (e) a contingency funding plan that ensures the Bank can remain liquidity solvent through stressed environments and that includes, at a minimum:
 - (i) management's best estimate of balance sheet changes that may result from a liquidity or credit event;
 - (ii) specific terms or events that trigger enactment of the plan;
 - (iii) necessary management information systems and reporting criteria for use in crises situations;
 - (iv) management responsibilities for enacting the plan and for taking specific actions once enacted; and
 - (v) prioritization of all sources of funding for the various scenarios including asset side funding, liability side funding, and off-balance sheet funding.

(2) After the OCC has advised the Bank that it does not take supervisory objection to the liquidity program required by this Article, the Board shall immediately implement, and shall thereafter ensure adherence to its terms.

Article VII

INVESTMENT POLICIES AND PRACTICES

(1) Within ninety (90) days of this Agreement, the Board shall prepare, adopt, and thereafter ensure Bank adherence to a written program (including appropriate policies and procedures) designed to ensure the Bank's investment activities are consistent with the guidelines set forth in Investment Securities, A, of the *Comptroller's Handbook* (March 1990) and OCC Bulletin 98-20 (April 27, 1998), and comply with safe and sound practices and 12 C.F.R. Part 1. The program shall, at a minimum, require:

- (a) the designation of a member of senior management to the position of investment officer; such officer shall have the knowledge, skills, and abilities necessary to ensure compliance with this Article;
- (b) written policy guidelines that outline the Bank's investment objectives, permissible securities, ongoing investment management guidelines, and interest rate risk tolerances;
- (c) the designation of individual and/or Asset/Liability Committee ("ALCO") investment portfolio purchase and sale authority;
- (d) adequate credit and interest rate risk measurement information to support the purchase of each investment security;
- (e) approval procedures that will include dollar size limits, quality limitations, maturity limitations, and concentration or diversification guidelines;

- (f) required reviews and use of securities dealers;
- (g) periodic reports to and approval by the Board or ALCO for all investment portfolio purchases and sales and strategy changes;
- (h) monthly review by the ALCO of the Bank's investment portfolio activity to ensure adherence to the investment policy and to applicable banking and securities laws and regulations; and
- (i) auditing procedures to ensure the integrity of measurement, control, and reporting systems, and compliance with approved policies, procedures and regulations.

Article VIII

INTEREST RATE RISK MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall prepare, adopt, and thereafter ensure Bank adherence to a written interest rate risk program (including appropriate policies and procedures) that provides for a coordinated interest rate risk strategy and is consistent with the guidelines set forth in Interest Rate Risk, L-IRR, of the *Comptroller's Handbook* (June 1997) and OCC Bulletin 2000-16, Risk Modeling – Model Validation (May 30, 2000). The program shall, at a minimum, address:

- (a) training and/or the addition of knowledgeable management and/or staff to ensure the Bank understands, documents, periodically reviews and adjusts as needed, the assumptions used in the Bank's interest rate risk model;
- (b) Board policies to ensure the model is administered by a knowledgeable senior manager who is independent of investment decisions;
- (c) the establishment of reasonable limits on interest rate risk;

- (d) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;
- (e) establishment of adequate management reports on which to base sound interest rate risk management decisions; and
- (f) an independent validation of the interest rate risk model on an at least an annual basis.

Article IX

INTERNAL AUDIT

(1) Within ninety (90) days of this Agreement, the Board shall take the necessary steps to ensure that the Bank's internal audit program operates independently and effectively, to include, at a minimum, provisions in the Bank's Audit program requiring:

- (a) the Auditor to report directly to the Board Audit Committee, which shall have the sole power to direct the internal audit activities;
- (b) the Auditor and audit staff to communicate directly with the Board Audit Committee;
- (c) all audit reports to be filed directly with the Board Audit Committee;
- (d) the Board Audit Committee be comprised of at least two (2) external directors;
- (e) the Board Audit Committee 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; and

- (f) the Board Audit Committee ensure that audit work papers and documentation of conclusions provide a meaningful audit trail and validation for findings and recommendations.

Article X

LENDING STAFF

(1) Effective immediately, the Board shall ensure that it maintains a dedicated Senior Lending Officer vested with sufficient executive authority to develop and implement appropriate credit risk management policies, procedures, and systems to ensure the Bank's loan portfolio is managed in a safe and sound manner. In the event that the Senior Lending Officer position of the Bank becomes vacant, the Board shall take the necessary steps to identify a suitable candidate to fill the vacancy within sixty (60) days of receiving notice of such vacancy.

(2) Prior to the appointment or employment of any senior executive officer or director, or entering into any contract with any person for such position, the Board shall submit the name and qualifications of the individual and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed executive officer. However, the lack of disapproval of such individuals shall not constitute an approval or endorsement of them.

(3) Within sixty (60) days of this Agreement, the Board shall complete a study of current lending staffing of the Bank. The findings and recommendations shall be set forth in a written report (the "Lending Staff Study"). At a minimum, the Lending Staff Study shall contain:

- (a) the identification of present and future management and staffing requirements of the Bank that recognizes the need for individuals with skills in collections, problem loan workouts, and credit risk management;
- (b) an evaluation of the knowledge, skills, and abilities of each lending management and staff person and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of each respective position;
- (c) recommendations as to whether management or staffing changes should be made, including the need for additions to, or deletions from, the lending staffing and management team that considers the determinations made in Subparagraph (a);
- (d) where additions are determined necessary, specific determinations of whether the Bank needs to make deletions as well;
- (e) a recommended training program to address identified weaknesses in the skills and abilities of the lending management and staff; and
- (f) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the lending management of the Bank.

(4) Within fifteen (15) days of completion of the Lending Staff Study, the Board shall direct any changes necessary to provide the Bank with a lending staff that possesses the skills and expertise to ensure the Bank operates in a safe and sound manner and attains compliance with the various lending articles in this Agreement.

(5) Copies of the Lending Staff Study shall be forwarded to the Assistant Deputy Comptroller upon its completion. The Assistant Deputy Comptroller shall retain the right to determine whether the Lending Staff Study complies with the terms of this Agreement.

Article XI

CREDIT RISK MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall prepare, adopt and thereafter adhere to, revisions to the Bank's loan policy, as well as any necessary procedures, to address weaknesses in the Bank's credit risk management and underwriting, that, at a minimum, include:

- (a) policies and procedures designed to aggregate, track and eliminate exceptions to the Loan Policy, underwriting guidelines, and supervisory loan to value limits, for all loans to include, at a minimum:
 - (i) monthly Board monitoring of policy exception reports that track aggregate number and dollar amount of loans with material exceptions by type of loan and loan officer; and
 - (ii) procedures to hold employees and officers accountable for non-compliance with the Bank's loan policy and other underwriting requirements;
- (b) procedures to ensure that loans are properly monitored to include periodic receipt, analysis and documentation of sufficient financial and operating information to measure and monitor the borrower's and guarantor's financial condition and repayment ability, to include periodic (at least annually) cash flow analysis of income-producing collateral; and

- (c) procedures to ensure that insider loans are underwritten in accordance with applicable laws and regulations.

(2) Effective as of the date of this Agreement, the Bank may not grant, extend, renew, modify or restructure any loan or other extension of credit (including participations), or purchase any loan participation, equal to or exceeding two hundred fifty thousand dollars (\$250,000), without:

- (a) documenting the specific reason or purpose for the extension of credit;
- (b) identifying the expected source of repayment in writing;
- (c) structuring the repayment terms to coincide with the expected source of repayment;
- (d) obtaining current and satisfactory credit information;
- (e) performing and documenting an analysis of the credit information, including but not limited to, a detailed cash flow analysis of all expected repayment sources;
- (f) determining and documenting whether the loan complies with the Bank's Loan Policy and if it does not comply, providing identification of the exception and justification to support waiving the policy exception;
- (g) making and documenting the determinations made regarding the customer's ability to repay the credit on the proposed repayment terms;
- (h) providing an accurate risk assessment grade and proper accrual status for each credit;
- (i) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable;

- (j) ensuring that any participations purchased are consistent with sound banking practices, guidelines set forth in Banking Circular 181 (Revised), dated August 2, 1984, and the requirements of 12 C.F.R. Part 34; and
- (k) obtaining the written approval of the Bank's Loan Committee or Board.

(3) The Board shall take the necessary steps to ensure that current and satisfactory credit and proper collateral information is maintained on all loans. Within thirty (30) days of notification, the Board shall ensure that the Bank obtains any missing credit or collateral information described in the ROE, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

Article XII

COMMERCIAL REAL ESTATE RISK MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program (including appropriate revisions to policies and procedures) designed to manage the risk in the Bank's commercial real estate ("CRE") loan portfolio in accordance with the guidelines in OCC Bulletin 2006-46, Concentration in Commercial Real Estate Lending and the Commercial Real Estate and Construction Lending, A-CRE, of the *Comptroller's Handbook*. The written CRE program should, at a minimum, include:

- (a) the development of an overall CRE reduction strategy, stratified by type, locality, individual builder/developer and individual property, and other meaningful measures supported by written analysis;

- (b) monthly monitoring of concentration reports that stratify the CRE portfolio by product type, locality and other meaningful measures;
- (c) portfolio-level multi-factor stress testing and/or sensitivity analysis on homogeneous pools of loans (e.g., HELOC, undeveloped land, office space) to quantify the impact of changing economic conditions on asset quality, earnings, and capital;
- (d) significant individual loan stress testing and/or sensitivity analysis to quantify the impact of changing economic conditions on asset quality, earnings, and capital;
- (e) the review and revision of Loan Policy CRE underwriting standards by CRE type that include specific requirements relating to:
 - (i) maximum loan amount and maturity by type of property;
 - (ii) approval authorizations;
 - (iii) minimum file documentation and analysis;
 - (iv) minimum requirements for initial investment and maintenance of hard equity;
 - (v) minimum standards for borrower net worth, property cash flow/debt service, collateral coverage, and guarantor support;
 - (vi) the performance of global cash flow analysis to evaluate the repayment ability of borrowers with multiple projects;
 - (vii) standards for ensuring a complete and accurate assessment of guarantor support;

- (viii) standards for ensuring that CRE loans have appropriate minimum loan covenants;
 - (ix) minimum standards for the acceptability for using, and defined limits for soft cost and/or interest reserve financing;
 - (x) maximum amortization periods and minimum principal curtailment for CRE and construction projects that are not meeting original projections; and
 - (xi) procedures for loan closing and disbursement processes, including the supervised disbursement of construction loan proceeds;
- (f) procedures to ensure the maintenance of proper collateral margins in loans made for the purpose of constructing or developing real estate, including but not limited to, procedures for ensuring that:
- (i) periodic, meaningful, well-documented, inspections are performed on all construction projects;
 - (ii) draw requests are advanced in accordance with construction progress and budget;
 - (iii) documentation is maintained that tracks project completion versus amount advanced;
 - (iv) lien waivers are obtained from contractors and sub-contractors; and
 - (v) borrower's hard equity is tracked by project; and
- (g) standards for when CRE loan policy exceptions are appropriate, what factors should exist to mitigate exceptions, and how the level and trend of

exceptions should be documented, tracked and reported to the Board and considered in loan officer performance reviews.

(2) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program, policies and procedures required by this Article.

Article XIII

APPRAISAL AND EVALUATION PROCESS

(1) Within sixty (60) days of this Agreement, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to ensure the Bank obtains appraisals and evaluations in compliance with USPAP, 12 C.F.R. Part 34, Advisory Letter 2003-9, and OCC Bulletin 2005-6, to include at a minimum:

- (a) the required use of a standard appraisal form for ordering all appraisals;
- (b) the ordering of appraisals by an employee independent of the lending transaction;
- (c) the use of Board approved appraisers only;
- (d) expectations regarding the selection of comparable sales, and when income or cost analysis should be used for income producing properties;
- (e) requirements that the Bank obtain an updated appraisal or evaluation in compliance with 12 C.F.R. § 34.43;
- (f) the establishment and implementation of a policy requiring a meaningful review by an employee independent of the lending transaction and someone other than the person who ordered the appraisal pursuant to paragraph (1)(b) of this Article, of all appraisals to include analysis

commensurate with the type, size and complexity of the property being appraised; and

- (g) the establishment of a tickler system for tracking appraisals ordered, received, returned, and reviewed.

Article XIV

PROBLEM LOAN MANAGEMENT

(1) Effective as of the date of this Agreement, the Board 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 sixty (60) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program designed to reduce the Bank's criticized assets (the "Problem Assets Program"). The Problem Assets Program shall include or address the following matters:

- (a) aggregate reporting of criticized asset levels by type to the Board or a designated committee thereof every month; and
- (b) specific plans for the reduction of criticized assets by asset type with target reductions by month.

(3) The Board's compliance with Paragraph (2) of this Article shall include the development of procedures for the monthly review and preparation and review of written determinations by the Board or a designated committee thereof regarding the effectiveness of the responsible officer's efforts to eliminate the weaknesses in each criticized credit relationship totaling two hundred thousand dollars (\$200,000) or more, and that require the preparation of

Problem Asset Reports (“PARs” or “PAR”) that contain, at a minimum, analysis and documentation of the following:

- (a) an identification of the expected sources of repayment and an analysis of their adequacy;
- (b) the appraised value of supporting collateral and the position of the Bank’s lien on such collateral where applicable as well as other necessary documentation to support the collateral valuation;
- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
- (d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment;
- (e) trigger dates for positive borrower actions or for loan officers to reassess the strategy, enact collection plans, and make appropriate downgrades or place on nonaccrual;
- (f) a determination of whether the loan is impaired and the amount of the impairment, consistent with FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan; and
- (g) for criticized relationships of two hundred thousand dollars (\$200,000) or above that were made for the purpose of constructing or developing CRE, the PARs shall also include:
 - (i) the initial scheduled maturity date of the loan, number of extensions and/or renewals, and current maturity date;

- (ii) project development status;
- (iii) a comparison of development costs to the budgeted amount;
- (iv) a comparison of sales activity to the original sales projections;
- (v) amount of initial interest reserve and the amount of any subsequent additions to the reserve;
- (vi) an assessment of the borrower's global cash flow;
- (vii) an assessment of any guarantor's global cash flow; and
- (viii) any other significant information relating to the project.

(4) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

(5) A copy of each PAR prepared during the month of each quarter end (e.g., March, June, September, and December), along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit, shall be submitted to the Assistant Deputy Comptroller within fifteen (15) days of each calendar quarter end.

(6) Effective as of the date of this Agreement, the Bank may not 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 of credit equal or exceed two hundred thousand dollars (\$200,000), unless each of the following conditions is met:

- (a) the Board or a designated committee thereof 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 Board or a designated committee thereof approves the credit extension and documents in writing, the reasons that such extension is necessary to promote the best interests of the Bank; and
- (b) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of credit.

Article XV

CREDIT RISK RATINGS AND NONACCRUAL RECOGNITION

(1) Effective immediately, the Board shall take the necessary steps to ensure that the risk associated with the Bank's loans is properly reflected and accounted for on the Bank's books and records, to include, at a minimum, the monthly review of all credit relationships that equal or exceed two hundred thousand dollars (\$200,000) by the loan officers to ensure that:

- (a) the Bank's loans and other assets are appropriately and timely risk rated and charged off using a loan grading system that is based upon current facts, existing repayment terms and that is consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*; and
- (b) the Bank's loans and other assets are timely placed on nonaccrual in accordance with the guidelines set forth in the Call Report;

(2) By no later than June 30, 2010, the Board shall prepare a written program designed to ensure that the Bank complies with Subparagraphs (a) and (b) of Paragraph (1) of this Article, that contains at a minimum:

- (a) immediate and ongoing training for the lending staff with respect to the application of Subparagraphs (a) and (b) of Paragraph (1) of this Article; and
- (b) procedures to ensure loan officers are held accountable for failing to appropriately and timely risk rate and/or place loans on nonaccrual, including but not limited to, consideration of loan officer and staff failure to properly risk rate and/or place loans on nonaccrual in periodic performance reviews and compensation.

(3) After the Board has developed the program required by this Article, the Board shall immediately implement, and shall thereafter ensure adherence to its terms.

Article XVI

EXTERNAL LOAN REVIEW

(1) Within sixty (60) days of this Agreement, the Board shall employ a qualified consultant to perform semi-annual asset quality reviews of the Bank's loan portfolio. The scope of the external loan review shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller's Handbook. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the identification and amount of delinquent and nonaccrual loans;

- (c) the identification/status of credit related violations of law or regulation;
- (d) loans not in conformance with the Bank's lending policies;
- (e) credit underwriting and documentation exceptions;
- (f) credit analysis and documentation of such;
- (g) accuracy of internal risk ratings;
- (h) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (g) of the Article;
- (i) overall credit administration practices; and
- (j) completeness and effectiveness of problem loan workout plans.

(2) Prior to the appointment or employment of any individual as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) The Board or a designated committee shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports.

(4) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be maintained in the books and records of the Bank.

(5) The Bank shall not terminate the consultant's asset quality review services without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

Article XVII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a revised program, including written policies and procedures, for maintaining an adequate Allowance for Loan and Lease Losses ("Allowance") in accordance with Generally Accepted Accounting Principles ("GAAP"). The Allowance policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions Examination Council's "Interagency Policy Statement on the Allowance for Loan and Lease Losses" dated December 13, 2006 (OCC Bulletin 2006-47), and July 20, 2001 (OCC Bulletin 2001-37), and shall at a minimum include:

- (a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan;
- (b) procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies;
- (c) procedures for validating the Allowance methodology; and

- (d) procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:
 - (i) trends in the Bank's internal risk ratings, and delinquent and nonaccrual loans;
 - (ii) results of the Bank's external loan review;
 - (iii) concentrations of credit in the Bank;
 - (iv) present and prospective economic conditions; and
 - (v) applicable experience and competence of the Bank's lending staff.

(2) The program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Call Reports for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, 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) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program, policies and procedures required by this Article.

(4) The Board shall take the necessary steps to ensure that an independent review and test of the Allowance sufficiency is performed prior to the filing of each Call Report beginning with the quarter ending June 30, 2010.

ARTICLE XVIII

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) This Agreement becomes effective upon execution by the Assistant Deputy Comptroller. Unless otherwise specified, any time limitations set by this Agreement shall begin to run on the effective date of the Agreement.

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

(3) All such requests shall be accompanied by any supporting documentation, and, to the extent requested by the Assistant Deputy Comptroller, a sworn declaration or declarations setting forth any other facts upon which the Bank relies.

(4) The Assistant Deputy Comptroller's decision concerning a request made pursuant to this Article is subject to Article XIX, Paragraph (4) of this Agreement, and is final and not subject to further review.

Article XIX

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory

objection, 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 Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

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

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement 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 Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) follow up on any noncompliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any noncompliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. 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(b)(1), 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. 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 his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

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

/s/

05/13/2010

Steven J. Vander Wal
Assistant Deputy Comptroller
Southern California – South 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/	05/13/2010
_____ Roger Kratz	_____ Date
/s/	05/13/2010
_____ William (Bill) Lu	_____ Date
/s/	05/13/2010
_____ Kiem Nguyen	_____ Date
/s/	05/13/2010
_____ Ban D. Nguyen	_____ Date
/s/	05/13/2010
_____ Dat Phan	_____ Date
/s/	05/13/2010
_____ Thanh Gia Phung	_____ Date
/s/	05/13/2010
_____ Kim T. Tran	_____ Date
/s/	05/13/2010
_____ Hieu T. Tran	_____ Date