

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

In the Matter of: )  
Lone Star National Bank ) AA-SO-12-66  
Pharr, Texas )

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over Lone Star National Bank, Pharr, Texas (“Bank”), and has concluded that the Bank has violated provisions of 31 U.S.C. § 5318, 12 C.F.R. §§ 21.11 and 21.21.

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 July 9, 2012, 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) Within thirty (30) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the

membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller, San Antonio Field Office, 10001 Reunion Place, Suite 250, San Antonio, TX 78216-4133. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

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

(3) Within sixty (60) days of the date of this Order and 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 Order;
- (b) actions taken to comply with each Article of this Order; and
- (c) the results and status of those actions.

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

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

## ARTICLE II

### CUSTOMER DUE DILIGENCE AND ENHANCED DUE DILIGENCE

(1) Within ninety (90) days of the date of this Order, the Bank shall develop, and thereafter ensure, Bank adherence to appropriate policies and procedures for collecting customer due diligence (“CDD”) and enhanced due diligence (“EDD”) information when opening new accounts or

when renewing or modifying existing accounts for customers, regardless of whether they are affiliates of the Bank. At a minimum, these policies and procedures must include:

- (a) a methodology for assigning risk levels to the Bank's customer base that assesses appropriate factors such as type of customer, type of product or service, and geographic location, and specification of the CDD and EDD information the Bank must obtain, commensurate with these risk levels;
- (b) identification of officers, directors, major shareholders or partners of the Bank's customers, as applicable;
- (c) identification of all account owners and beneficial owners in compliance with 31 C.F.R. § 1020.220 and consistent with the Guidance on Obtaining and Retaining Beneficial Ownership Information issued by the Federal Banking Agencies, FinCEN, and the Securities Exchange Commission dated March 5, 2010;
- (d) documentation and analysis of the following information for all customers:
  - (i) all relevant financial information concerning the customer;
  - (ii) the type of business conducted by the customer;
  - (iii) detailed information on the customer's source of income or wealth;
  - (iv) any other due diligence required by this Order, the Bank Secrecy Act ("BSA") Officer, or Bank policy;
  - (v) identification of all account owners and beneficial owners in compliance with 31 C.F.R. § 1020.220; and
  - (vi) the BSA risk profile and identification of any related accounts.

- (e) periodic assessments by the BSA Officer or his designee of the effectiveness of the Bank's CDD, EDD, and monitoring activities, and timely corrective action of weaknesses identified in the assessments. These assessments and corrective actions shall, as appropriate, be incorporated into the Bank's BSA/AML risk assessment; and
- (f) guidance and standards for not opening an account, permitting the use of an account while verifying a customer's identity or other risks, closing an account when the Bank is not able to form a reasonable belief that it knows the true identify of a customer or if the Bank does not receive the information required by Paragraph (1), filing SARs, as appropriate when suspicious or unusual activity is identified.

(2) The BSA Officer or his designee(s) shall periodically review account documentation for high-risk customers and their related accounts to determine whether the account activity is consistent with the customer's business and the stated purpose of the account.

(3) The Bank shall develop and maintain a management information system ("MIS") program that compiles CDD and EDD information. The program shall be commensurate with the Bank's BSA/AML risk profile, and shall provide appropriate business, compliance, and investigations staff throughout the Bank with automated ready access to CDD and EDD information.

(4) The Bank shall develop a risk-based plan to apply the requirements in its CDD and EDD policies and procedures to its existing customers, including foreign correspondent banks and customers.

## ARTICLE III

### FOREIGN CORRESPONDENT BANKS AND CURRENCY SHIPMENTS

(1) Within ninety (90) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program that ensure ongoing compliance with the BSA for foreign correspondent banks, including international bulk cash shipments.

(2) The written program required pursuant to paragraph (1) of this Article must include specific policies, procedures and controls for identifying, documenting, monitoring, reporting, and referring suspicious foreign correspondent bank activity, including bulk cash shipments. The written program should also include reasonable steps to conduct enhanced scrutiny of high-risk foreign correspondent bank accounts or bulk cash shippers. At a minimum, the written program shall include:

- (a) ongoing due diligence of currency shippers, which may include periodic visits to the shipper and to shipping-preparation sites.
- (b) scrutinize for legitimacy the root source of cash shipments, using risk-based processes, as necessary;
- (c) identify the characteristics of acceptable and unacceptable transactions, including circumstances when the bank will or will not accept bulk currency shipments;
- (d) develop processes for periodic review of high-risk foreign correspondent bank customers; and,
- (e) provide additional training to investigators and implement quality control processes for due diligence and activity analysis related to foreign correspondent bank accounts and bulk cash shippers.

(3) Upon adoption, a copy of the written program shall be forwarded to the Assistant Deputy Comptroller.

#### ARTICLE IV

##### SUSPICIOUS ACTIVITY REPORTING

(1) Within ninety (90) days of the date of this Order, the Bank shall review and revise, where appropriate, the Bank's written program establishing a system of internal controls and processes to ensure compliance with the requirements to file Suspicious Activity Reports ("SARs") set forth in 12 C.F.R. Part 21, Subpart B, as amended. At a minimum, this written program shall include:

- (a) 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, identified through the monitoring of current accounts, and the transfer of funds through the Bank;
- (b) procedures to ensure SARs are filed within the timeframes specified in the regulations and FinCEN's published guidance, and procedures to ensure follow-up SARs are filed every ninety (90) days in cases where suspicious activity is on-going;
- (c) procedures to ensure that the Bank's decision on whether to file a SAR for a particular customer (or related entity) is appropriately supported and documented, including taking into consideration the transactions by and between related entities and factoring in entire global customer relationships; and,

(d) procedures to ensure that the Bank assess and document relevant CDD and EDD information in determining whether to file a SAR;

(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 Bank shall immediately incorporate those changes into the program.

(3) The Board shall ensure that the Bank has processes, personnel (including adequate staffing for the Bank's SAR investigations), and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

## ARTICLE V

### ACCOUNT/TRANSACTION ACTIVITY REVIEW ("LOOK-BACK")

(1) Within ninety (90) days of the date of this Order, the Bank shall retain one or more independent consultants with expertise in the review of foreign correspondent activity to perform a look-back of certain accounts that were open during the period, and certain transactions that took place during the period of May 30, 2011 through May 30, 2012, including all foreign correspondent accounts, bulk cash shippers and offshore accounts, in order to determine whether suspicious activity was timely identified by the Bank, and if appropriate to do so, was timely reported by the Bank in accordance with 12 C.F.R. § 21.11 and 31 C.F.R. § 1010.306.

(2) The Bank shall submit the name and background information of the independent consultant(s) identified pursuant to paragraph (1) of this Article to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) Prior to the engagement of the independent consultant(s) pursuant to paragraph (1) of this Article, the Bank shall provide to the Assistant Deputy Comptroller for a prior written

determination of no supervisory objection a detailed engagement letter which sets forth the scope, parameters, number of accounts and transactions expected to be review through the look-back, and the expected timeframe for completion.

(4) The look-backs shall be risk-based, including the risks identified in the Bank's current risk assessment, and shall identify the sampling, software screening, or analytical techniques the consultant(s) will use to identify transactions that are subject to review for suspicious activity.

(5) Upon completion of the look-back, the Bank shall file SARs and CTRs, in accordance with 12 C.F.R. § 21.11 and 31 C.F.R. § 1010.306, for any previously unreported suspicious activity and currency activity during this review. The written findings of the look-back shall be reported to the Board, with a copy to the Assistant Deputy Comptroller, to include the number of SARs filed, the number of subjects or suspects, and the dollar amount of the SARs filed as a result of the look-back.

(6) Based upon the results of the look-back, the OCC, at its sole discretion, may expand the scope of the independent review or require a longer look-back period. If an additional look-back is deemed appropriate by the OCC, the Bank shall complete the look-back in accordance with this Article.

## ARTICLE VI

### BANK SECRECY ACT AUDIT

(1) Within ninety (90) days of the date of this Order, the Board, or a designated committee of the Board, shall adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program, including its scope, testing, and documentation 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;
- (d) perform an appropriate level of testing to support the audit findings;
- (e) ensure adequate audit coverage in all areas;
- (f) ensure that audit criticisms and items requiring management attention are corrected within a reasonable period of time; and
- (g) establish an annual audit plan using a risk based approach sufficient to achieve these objectives.

(2) Within ninety (90) days of the date of this Order, the Board shall expand the Bank's existing BSA audit procedures to include:

- (a) development of a schedule, from which deviations of more than 45 days will occur only with the Board approval, for the Bank's internal audits;
- (b) development of a program to test periodically the adequacy of internal controls designed to ensure compliance with the provisions of the Office of Foreign Assets Control ("OFAC") and the BSA in all areas of the Bank;
- (c) prompt management response and follow-up to all exceptions or other recommendations of any Bank auditor for BSA matters or of the Office of the Comptroller of the Currency;
- (d) a risk-based approach to OFAC and BSA compliance that includes transactional testing and verification of data for higher-risk customers, products, and services or geographic areas of specific concern;

- (e) an assessment of the effectiveness of the Bank's CDD and EDD policies;  
and,
- (f) an assessment of the effectiveness of the Bank's suspicious activity monitoring and reporting processes.

(3) Within ninety (90) days of the date of this Order, the Board shall ensure that the auditor for BSA matters has performed the following activities:

- (a) develop findings, observations and recommendations on the Bank's internal controls addressing compliance with OFAC and BSA, including related regulatory reporting on those subjects; and
- (b) review prior account activity at the Bank, including deposit accounts, loan transactions, wire activity, certified check activity, CTR activity (including structuring) and traveler's check activity, for accounts that pose greater than normal risk for compliance with BSA, e.g., foreign correspondent accounts, foreign corporate entities, in order to ascertain any unusual or suspicious transactions that may have occurred at the Bank in the past 12 months.

(4) The Board, or a designated committee of the Board, shall ensure that the audit program is independent. The persons responsible for implementing the BSA audit program described above shall report directly to the Board, or a designated committee of the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(5) All audit reports shall be in writing, provide conclusions, and be supported by adequate workpapers, which must be provided to the Bank. The Board, or a designated committee

of 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.

(6) The Board, or a designated committee of 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.

(7) The audit staff shall have unfettered access to any records necessary for the proper conduct of its activities. The Board shall ensure that the OCC examiners shall have unrestricted access to all reports and work papers of the audit staff and any other parties working on the audit staff's behalf.

(8) Within ninety (90) days of the date of this Order, the Board, or a designated committee of the Board, shall review and evaluate the level of service and ability of the audit function for BSA matters currently being provided by any auditor, including:

- (a) the Board's expectations of how its auditors can and must assist in ensuring the Bank's compliance with OFAC and BSA;
- (b) an assessment of prior audits and management's response to those audits;  
and,
- (c) an evaluation of the audit tools, including technology, available.

(9) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

(10) Upon completion of this review, the Board's findings shall be reported to the Assistant Deputy Comptroller. The Bank shall immediately file SARs, in accordance with 12 C.F.R. § 21.11, for any previously unreported suspicious activity identified during this review.

## ARTICLE VII

### RESTRICTIONS ON GROWTH, NEW PRODUCTS AND HIGH-RISK LINES OF BUSINESS

(1) The Bank has represented to the OCC that it is exiting the foreign correspondent banking business and cash repatriation. If, in the future, the Bank intends to re-enter these lines of business, the Bank shall notify the Assistant Deputy Comptroller of its plan in writing and obtain written supervisory non-objection prior to commencing re-entry.

(2) The written notification required pursuant to paragraph (1) of this Article must include the Bank's plan to ensure ongoing compliance with the BSA for the international bulk cash line of business, and the controls to be implemented for monitoring activity, which shall include:

- (a) policies and procedures for identifying, investigating, and resolving transactions that are identified as unusual;
- (b) policies and procedures for reporting suspicious activity;
- (c) periodic evaluations of line of business and compliance personnel knowledge of and adherence to Bank policies and procedures for identifying transactions that pose greater than normal risk for compliance with the BSA in order to determine whether additional or enhanced training should be conducted;
- (d) periodic evaluations of the sufficiency of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activity; and,
- (e) consideration and application of any regulatory guidance on bulk cash remediation, including any guidance provided in the current *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*;

(3) The Bank shall develop and maintain a procedure for introducing new products and services that ensures that these new activities are consistent with the Bank's BSA/AML compliance program. This procedure shall include an assessment of the BSA/AML risk posed by the new activities, and whether the compliance program has sufficient staffing and funding to effectively monitor the new activities.

## ARTICLE VIII

### BOARD TO ENSURE COMPETENT BANK SECRECY ACT OFFICER

(1) The Board shall ensure that the Bank has a competent, permanent, qualified, and experienced BSA Officer who shall be vested with sufficient authority to fulfill the duties and responsibilities of the position and ensure the safe and sound operation of the Bank at all times. In the event that the position is vacated, the Board shall within ninety (90) days appoint a new BSA Officer according to the requirements of this Article.

(2) Prior to the appointment of any individual to the BSA Officer position, in the event the position is vacated, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" and "Background Investigations" booklets of the Comptroller's Licensing 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 Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed BSA Officer. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed BSA Officer.

(4) The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Assistant Deputy Comptroller to complete her review and act on any such information or authority within ninety (90) days.

## ARTICLE IX

### 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, or matter requiring attention cited in the Report of Examination for the most recent examination of the Bank's BSA compliance and in any subsequent Report of Examination. The quarterly 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.

## ARTICLE X

### OTHER PROVISIONS

(1) Although the Board is by this Order required to submit certain proposed actions and programs to 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 9th day of July, 2012.

/S/

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James G. Price  
Associate Deputy Comptroller  
Southern District



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

<b>In the Matter of:</b>	)	
Lone Star National Bank	)	AA-SO-12-66
Pharr, 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 Lone Star National Bank, Pharr, Texas (“Bank”) pursuant to 12 U.S.C. § 1818(b), for violations of 12 U.S.C. § 1818(s); the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, including 31 U.S.C. § 5318; and Bank Secrecy Act regulations 12 C.F.R. §§ 21.11 and 21.21. The Bank failed to maintain an adequate and effective Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) Program, in that the Bank failed to conduct adequate due diligence for high risk accounts, failed to properly manage risks associated with foreign correspondence accounts, failed to file Suspicious Activity Reports (“SARs”), and failed to ensure an adequate BSA/AML audit.

The Bank, in the interest of compliance and cooperation, consents to this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”) and consents to the issuance of a Consent Order, dated July   9  , 2012 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

## ARTICLE I

### JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).
- (4) As a result of this Order,
  - (a) Pursuant to 12 C.F.R. § 5.3(g)(4), the Bank is not an eligible bank for the purposes of 12 C.F.R. Part 5 unless otherwise informed in writing by the OCC.
  - (b) Pursuant to 12 C.F.R. § 5.51(c)(6)(ii), this Order shall not subject the Bank to the requirements of 12 C.F.R. § 5.51 unless otherwise informed in writing by the OCC.
  - (c) Pursuant to 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), this Order shall not subject the Bank to the requirements of 12 C.F.R. Part 359 unless otherwise informed in writing by the OCC.
  - (d) Pursuant to 12 C.F.R. § 24.2(e)(4), the Bank is no longer considered to be an eligible bank for the purposes of 12 C.F.R. Part 24 unless otherwise informed in writing by the OCC.

## ARTICLE II

### AGREEMENT

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

(2) The Bank consents and agrees that the Consent Order shall (a) be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), (b) becomes effective upon its execution by the Comptroller through his authorized representative, and (c) be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the Issuance of the Consent Order and/or execute the Consent Order.

(5) 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.

(6) The terms and provisions of this Stipulation and the Consent Order shall be Binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

Nothing in this Stipulation or the Consent Order express or implied, shall give any person or entity, other than the parties hereto, and their successor hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Consent Order.

### ARTICLE III

#### WAIVERS

- (1) The Bank, by signing this Stipulation and Consent, hereby waives:
  - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
  - (b) any and all procedural rights available in connection with the issuance of the Order;
  - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
  - (d) all rights to seek any type of administrative or judicial review of the Order; and
  - (e) any and all rights to challenge or contest the validity of the Order.

### ARTICLE IV

#### OTHER PROVISIONS

(1) The provisions of this Stipulation 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.

(2) Nothing in this Stipulation shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and nothing in this Stipulation constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other

representative of the United States or an agency thereof, including, without limitation, to bring other actions deemed appropriate.

(3) The terms of the Stipulation and the Order 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 as his representative, has hereunto set his hand on behalf of the Comptroller.

/S/  
\_\_\_\_\_  
James G. Price  
Associate Deputy Comptroller  
Southern District

July 9, 2012  
\_\_\_\_\_  
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.

<u>/S/</u> Alonzo Cantu	<u>7/5/12</u> Date
<u>/S/</u> Cruz Cantu, III	<u>7/5/12</u> Date
<u>/S/</u> George C. Carruthers	<u>7/5/12</u> Date
<u>/S/</u> S. David Deanda, Jr.	<u>7/5/12</u> Date
<u>/S/</u> Lazaro H. Fernandez, Jr.	<u>7/10/12</u> Date
<u>/S/</u> Oscar R. Gonzalez	<u>7/5/12</u> Date
<u>/S/</u> Abdala Kalifa	<u>7/5/12</u> Date
<u>/S/</u> Nolan E. Perez	<u>7/5/12</u> Date
<u>/S/</u> Ruben Torres	<u>7/5/12</u> Date
<u>/S/</u> Manuel M. Vela	<u>7/5/12</u> Date
<u>/S/</u> Angel Vera-Oliva	<u>7/5/12</u> Date
<u>/S/</u> Joe D. Zayas	<u>7/5/12</u> Date