

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

AA-EC-2014-13

_____)
In the Matter of:)
Gibraltar Private Bank and Trust Company)
Coral Gables, Florida _____)

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), through his duly authorized representative, has supervisory authority over Gibraltar Private Bank and Trust Company, Coral Gables, Florida (“Bank”);

WHEREAS, 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 (“Stipulation and Consent”), dated **October 16, 2014**, that is accepted by the Comptroller through his duly authorized representative; and

WHEREAS, 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.

NOW, THEREFORE, 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) The Board shall maintain a Compliance Committee of at least three (3) Directors who shall not be employees, former employees, or controlling shareholders of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. In the event of a change in membership, the name of any new member shall be immediately submitted in writing to the Director of Special Supervision

("Director"). 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 thirty (30) days of the end of each calendar quarter of this Order, or within such other time period as the Director requires in writing, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) a description of the actions needed to achieve full compliance with each Article of this Order, Bank personnel responsible for implementing the corrective actions, and the timeframes for completion;

(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 reports, with any additional comments by the Board, to the Director on a quarterly basis or within such other time period as the Director may require in writing.

ARTICLE II

STRATEGIC PLAN

(1) Within sixty days (60) of the date of this Order, the Board shall revise, as appropriate and forward to the Director, pursuant to paragraph three (3) of this Article, its written Strategic Plan for the Bank covering at least a three-year period. The Strategic Plan shall include objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, together with strategies to achieve those objectives, and shall, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) the strategic goals and objectives to be accomplished, including key financial indicators and risk tolerances;
- (c) identification of Bank personnel responsible and accountable for the strategic planning process and accomplishing each goal and objective of the Strategic Plan, including specific timeframes;
- (d) a description of the Bank's systems and metrics designed to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives;
- (e) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s) and a description of control systems to mitigate risks in the Bank's markets;
- (f) an assessment of the Bank's strengths, weaknesses, opportunities, and threats that impact strategic goals and objectives;
- (g) an assessment of the present and planned product lines (assets and liabilities) and the identification of appropriate risk management systems to identify, measure, monitor, and control risks within the product lines; and
- (h) a management employment and succession program to promote the retention and continuity of capable management.

(2) If the Strategic Plan under paragraph one (1) of this Article includes a proposed sale or merger of the Bank, the Strategic Plan shall, at a minimum, address the steps that will be taken and the associated timeline to effect the implementation of that alternative.

(3) Prior to adoption by the Board, a copy of the Strategic Plan, and any subsequent amendments or revisions, shall be submitted to the Director for review and prior written

determination of no supervisory objection. At the next Board meeting following receipt of the Director's written determination of no supervisory objection, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan.

(4) The Bank may not initiate any action that deviates significantly from the Strategic Plan (that has received a supervisory no-objection from the Director and that has been adopted by the Board) without a written determination of no supervisory objection from the Director. The Board must provide the Director a forty-five (45) day written notice in advance of its intent to deviate significantly from the Strategic Plan, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the change in the Strategic Plan.

(5) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's marketing strategies, products and services, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

(6) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Strategic Plan and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the

Board meeting minutes. Upon completion of its evaluation, the Board shall submit a copy to the Director.

(7) The Board shall review and update the Strategic Plan at least annually and more frequently if necessary or if requested by the Director in writing.

(8) Until the Strategic Plan required under this Article has received a written determination of no supervisory objection from the Director, and is being implemented by the Bank, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed before this Order without first obtaining the Director's prior written determination of no supervisory objection to such significant deviation.

(9) Any request pursuant to paragraph eight (8) of this Article to the Director for prior written determination of no supervisory objection to a significant deviation must be submitted to the Director at least forty-five (45) days in advance of the significant deviation, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the change.

ARTICLE III

CAPITAL PLAN

(1) The Bank shall continue to achieve and maintain the following minimum capital ratios (as defined in 12 C.F.R. Part 167):

- (a) Tier 1 Capital at least equal to eight percent (8%) of adjusted total assets; and
- (b) Total Capital at least equal to twelve percent (12%) of risk-weighted assets.

(2) The Board shall maintain an effective internal capital planning process to ensure maintenance of appropriate capital levels, which shall in no event be less than the requirements of paragraph one (1) of this Article. The capital planning process shall be consistent with OCC Bulletin 2012-16 (June 7, 2012), *Guidance for Evaluating Capital Planning and Adequacy*, and shall ensure the integrity, objectivity, and consistency of the process through adequate governance. Within sixty (60) days of the date of this Order, the Board shall document the capital planning process and thereafter review and document the capital planning process at least annually or more frequently if requested by the Director in writing.

(3) Within sixty (60) days of the date of this Order, the Board shall forward to the Director for his review, pursuant to paragraph six (6) of this Article, a written Capital Plan for the Bank, consistent with the Strategic Plan pursuant to Article II, covering at least a three (3) year period. The written Capital Plan shall, at a minimum:

- (a) include specific plans for the maintenance of adequate capital, which shall in no event be less than the requirements of paragraph one (1) of this Article;
- (b) include detailed quarterly financial projections for growth and capital requirements, based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) include projections of the sources and timing of additional capital to meet the Bank's future needs, as set forth in the Strategic Plan;
- (d) identify primary sources from which the Bank will establish a strategy to maintain capital adequacy and strengthen capital, if necessary, to meet the Bank's future capital needs;
- (e) include contingency or back-up capital plans, commensurate with the Bank's overall risk and complexity, that identify alternative methods to strengthen

capital, should the primary source(s) under paragraph 3(d) of this Article not be available; and

- (f) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order that will have an impact on the Bank's capital.

(4) If the Bank's written Capital Plan is primarily based on a sale or merger of the Bank, the written Capital Plan shall address the steps that will be taken and the associated timeline, to ensure that within ninety (90) days after the receipt of the Director's written determination of no supervisory objection to the written Capital Plan, a definitive agreement for the sale or merger is executed.

(5) The Bank may declare or pay a dividend or make a capital distribution only:

- (a) when the Bank is in compliance with its approved written Capital Plan and would remain in compliance with its approved written Capital Plan immediately following the declaration or payment of any dividend or the capital distribution; and
- (b) following the approval of the Director pursuant to 12 U.S.C. Part 163 Subpart E.

(6) Prior to the adoption by the Board, a copy of the written Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection. The Board shall review and update the Bank's written Capital Plan at least annually and more frequently if required by the Director in writing. Revisions to the Bank's written Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection.

(7) At the next Board meeting following receipt of the Director's written determination of no supervisory objection, the Board shall adopt and the Bank (subject to

Board review and ongoing monitoring) shall immediately implement and thereafter ensure adherence to the written Capital Plan and any amendments or revisions thereto.

(8) At least monthly, the Board shall review financial reports and earnings analyses that evaluate the Bank's performance against the goals and objectives established in the written Capital Plan, and provide a written explanation in Board minutes, of significant differences between the actual and projected balance sheet, income statement, and expense accounts, including descriptions of extraordinary and/or nonrecurring items. This review and written explanation shall include a description of the actions the Board will require the Bank to take to address any deficiencies.

(9) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the written Capital Plan, which shall include a description of the actions the Board will require the Bank to take to address any deficiencies. The Board's monthly reviews and preparation of the quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall retain a copy of these monthly reviews and Board meeting minutes and shall forward a copy of these quarterly written evaluations and Board meeting minutes to the Director within ten (10) days of completion of its quarterly written evaluations.

(10) If the Bank fails to maintain the capital ratios required by paragraph one (1) of this Article, fails to submit a Capital Plan as required by paragraph three (3) of this Article, or fails to implement a Capital Plan to which the Director has provided a written determination of no supervisory objection, then the Bank may, in the Director's sole discretion, be deemed undercapitalized for purposes of this Order. The Bank shall take such corrective measures as the OCC may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C.

§ 1831o(e)(5) shall include restoration of the Bank's capital to the minimum ratios required by this Order, and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

ARTICLE IV

BOARD SUPERVISION AND MANAGEMENT

(1) Within ninety (90) days of the date of this Order, the Board shall develop, implement, and thereafter ensure the Bank's adherence to corporate governance and decision-making processes. At a minimum, the Board shall ensure and document the following:

- (a) Senior executive officers as defined in 12 C.F.R. § 163.555 are capable of performing present and anticipated duties, factoring in each officer's past actual performance, experience, and qualifications, compared to their position description, duties, and responsibilities, with particular emphasis on their proposed responsibilities to execute the Strategic Plan required by Article II and to correct the concerns raised in the 2013 Exam or any subsequent Report of Examination ("ROE");
- (b) clear lines of responsibility and authority for each member of senior management, including but not limited to, the chief executive officer, president, chief lending officer, chief operating officer, and the chief financial officer;
- (c) sufficient processes, personnel, 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;
- (d) a process to ensure that management corrects the problems identified in any audit, or compliance or regulatory criticisms; and

(e) that the Board receives and reviews sufficient Bank information from management, including scope, frequency, and content, on the operation of the Bank and compliance with this Order to enable them to provide oversight and fulfill their fiduciary duties and other responsibilities under law and as outlined in the OCC's "The Directors' Handbook" (October 2010) and "Duties and Responsibilities of Directors" booklet (March 1990) of the *Comptroller's Handbook*.

(2) The Board shall establish, at least annually, the objectives by which senior executive officers' effectiveness will be measured.

(3) The Board shall perform and prepare an annual written performance appraisal for each bank senior executive officer that evaluates performance according to the position's description and responsibilities, adherence to the Strategic Plan, objectives established by the Board, and the effectiveness of developing and successfully implementing action plans to remedy issues raised in Reports of Examination ("ROE") or audit reports. If necessary and as appropriate, the Board shall engage a qualified independent third party to assist the Board in preparing the written performance appraisals. Upon completion, copies of each performance appraisal shall be submitted to the Director. The Board shall ensure that the Bank addresses any identified deficiencies in a manner consistent with paragraph one (1) of this Article.

ARTICLE V

THIRD PARTY REVIEW

(1) Within forty-five (45) days of the date of this Order, the Board, or a designated committee of the Board, shall engage a qualified independent consultant or firm to perform a complete review of the Bank's BSA/AML Compliance Program, which entails internal controls, independent testing, training, and an evaluation of the BSA/AML Officer's

performance and the Board's oversight. The engagement shall be consistent with OCC Bulletin 2013-33.

(2) Prior to the appointment or employment of any consultant or firm, or entering into any contract with any consultant or firm, the Board shall submit the name and qualifications of the proposed consultant or firm, and the proposed scope and terms of employment to the Director for a prior written determination of no supervisory objection.

(3) After the Director has advised the Bank, in writing, that it does not take supervisory objection to the qualified independent consultant or firm, and the scope of the review, the Board shall immediately engage the consultant or firm pursuant to the proposed terms of the engagement.

(4) The review conducted by the qualified independent consultant or firm shall, at a minimum, provide for:

- (a) a comprehensive review of the Bank's BSA/AML systems including internal controls, independent testing, training, and the evaluation of the BSA Officer's performance and Board's oversight, and
- (b) a detailed schedule for the timely correction of all deficiencies identified in the comprehensive BSA/AML review or any OCC Report of Examination, including technology deficiencies related to the Bank's suspicious activity monitoring and reporting.

(5) The qualified independent consultant or firm must provide a detailed Report of the BSA/AML work performed, along with their findings to the Board and the OCC by November 30, 2014.

ARTICLE VI

BANK SECRECY ACT PROGRAM

(1) Within ninety (90) days of the date of this Order, the Board shall revise, implement, and thereafter ensure the Bank's adherence to a written program of policies and procedures to provide for compliance with the Bank Secrecy Act, as amended (31 U.S.C. §§ 5311 *et seq.*), the regulations promulgated thereunder at 31 C.F.R. Chapter X; and 12 C.F.R. § 163.177, and the rules and regulations of the Office of Foreign Assets Control ("OFAC") (31 C.F.R. Chapter V) (collectively referred to as the "Bank Secrecy Act" or "BSA") and for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA. At a minimum, this program shall include comprehensive policies, procedures and controls for all lines of business, including the Wealth Management Department, to:

- (a) ensure compliance with Articles VII, VIII, IX, X, and XI of this Order.
- (b) ensure that the BSA Officer and BSA personnel have full and complete access to all of the Bank's databases, systems, books and records;
- (c) ensure that the BSA Officer and BSA personnel conducts all BSA related review across all lines of business;
- (d) record and maintain information about transactions that pose greater than normal risk for compliance with the BSA;
- (e) perform annual risk assessments, which provides sufficient coverage of the Bank's operations, products, services, and geographies of operation;
- (f) ensure that all suspicious or large currency transactions are identified and reported;
- (g) maintain records on the sales of monetary instruments, including the identification and verification of the purchaser;

- (h) establish a method for introducing new products and services that ensures that the policies and procedures governing new products and services are consistent with the Bank's program for compliance with the BSA;
- (i) formally evaluate the knowledge, capabilities and performance of the Bank's BSA staff for identifying transactions that pose greater than normal risk for compliance with the BSA; taking into account the findings contained in the July 22, 2013 Report of Examination ("2013 Exam") and any subsequent examination and audit findings, and factoring in the BSA staff performance, experience and qualifications compared to their position descriptions, duties and responsibilities; and
- (j) establish a comprehensive training program for all appropriate operational and supervisory personnel, and the Board of Directors, to ensure their awareness of their responsibility for compliance with the requirements of the BSA, including the reporting requirements associated with suspicious activity reports ("SARs") pursuant to 12 C.F.R. § 163.180, regardless of the size of the relationship or type of customer involved.

ARTICLE VII

ACCOUNT MANAGEMENT

(1) Within ninety (90) days of the date of this Order, the Board shall develop, implement, and thereafter ensure the Bank's adherence to expanded due diligence and risk management procedures for all existing accounts and new accounts that pose greater than the normal risk for compliance with the BSA requiring:

- (a) perform sufficient due diligence when opening new accounts that provides for collecting customers' identifying information, verifying customers' identification,

- maintaining identification records, evaluating the BSA risk profile and determining whether customers appear on OFAC's Specially Designated Nationals and Blocked Persons List or any such similar list;
- (b) 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 ("SEC") dated March 5, 2010;
 - (c) identification of the officers, directors, major shareholders or partners, as applicable;
 - (d) identification of accounts that are related to employees, officers, directors, principal shareholders (as defined in 12 C.F.R. Part 215.2(m)) and partners of the Bank and the Bank's holding company;
 - (e) analysis and documentation of the BSA risk profile of account owners and beneficial owners;
 - (f) documentation of the following information for all deposit account customers;
 - (i) all relevant financial information concerning the customer;
 - (ii) the type of business conducted by the customer;
 - (iii) the customer's source of income or wealth;
 - (iv) any other due diligence required by this Order, the BSA Officer, or the Bank; and
 - (g) 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, filing SARs if the Bank does not receive the information required by paragraph (1) by the date the information is due or if the Bank is not able to form a

reasonable belief that it knows the true identity of a customer, escalation procedures concerning customers with multiple SAR filings, and protracted periods of suspicious activity.

- (h) identification of and reporting to appropriate management personnel the receipt or disbursement of currency or monetary instruments that are suspicious or inconsistent with the customers' business and/or accounts opened in the name of or for the benefit of a financial institution or foreign bank, as defined in 31 C.F.R. § 1010.100;

(2) The Bank shall not open any account for a customer and shall close any existing account of a customer if the information available to the Bank indicates:

- (a) that the customer's relationship with the Bank would be detrimental to the reputation or safety and soundness of the Bank; or
- (b) that the strength of the BSA compliance program is not commensurate with the risk posed by the customer and, as a result, the Bank is unable to effectively monitor and/or report the customer's activity for purposes of BSA and OFAC compliance.

(3) The Bank shall close any account where the Director specifies in writing that the account meets the standards of paragraph two (2) of this Article within five (5) days of such direction. Within five days of being instructed to close an account, the Bank may request reconsideration pursuant to paragraph six (6) of Article XIV.

ARTICLE VIII

BANK SECRECY ACT MONITORING

(1) Within ninety (90) days of the date of this Order, the Board shall revise, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to

provide for the Bank's monitoring of suspicious activities involving cash, monetary instruments, wire transfers, and other methods for all types of transactions, accounts, customers, products, services, and geographic areas. At a minimum, this written program shall establish:

- (a) review of cash purchases of monetary instruments;
- (b) reviews of wire transactions (including intermediary wires, cover payments, and transfers of funds between accounts within the Bank) including:
 - i. frequent or large volume cash deposits, wire transfers and book entry transfers to or from offshore or domestic entities or individuals;
 - ii. wire transfers or book entry transfers that are deposited into several accounts;
 - iii. receipt and disbursement of wire transfers or book entry transfers without an apparent bona fide business reason; and
 - iv. receipt and disbursement of wire transfers or book entry transfers that are suspicious or inconsistent with the customer's account profile;
- (c) periodic analysis of aggregate cash, monetary instrument, wire transactions and pouch activity;
- (d) periodic analysis of Currency Transaction Report filings;
- (e) automatic reviews of accounts or customers for which the Bank has received criminal subpoenas that may involve the BSA;

- (f) timely reviews of high-risk transactions, accounts, customers, products, services, and geographic areas;
- (g) timely and accurate submission of SARs based on these reviews and analysis; and
- (h) adequate policies and procedures and documentation concerning the clearing of alerts and the determination of whether to file a SAR or not to file a SAR.

(2) The written program pursuant to paragraph (1) of this Article shall include the development and implementation of written policies and procedures to provide for the application of appropriate thresholds for monitoring all types of transactions, accounts, customers, products, services, and geographic areas that pose greater than normal risk for compliance with the BSA. At a minimum, these procedures shall establish:

- (a) meaningful thresholds for filtering accounts and customers for further monitoring, review and analysis;
- (b) an analysis of the filtering thresholds established by the Bank; and
- (c) periodic testing and monitoring of thresholds for their appropriateness to the Bank's customer base, products, services, and geographic area.

ARTICLE IX

BANK SECRECY ACT REPORTS

(1) Within ninety (90) days of the date of this Order, the Board shall revise, implement, and thereafter maintain an integrated, accurate monitoring system for all Bank areas, including the Wealth Management Department of the Bank, to generate account information and produce periodic reports designed to identify, monitor and evaluate unusual or suspicious activity, including patterns of activity, and to maintain accurate information needed to produce these reports. The Bank's system shall be able to identify related accounts, countries of origin,

location of the customers' businesses and residences to evaluate patterns of activity. The system reports shall provide information on the following:

- (a) a current list of all accounts associated with a relationship, a country or politically exposed persons ("PEPS");
- (b) all high risk accounts, including the following information:
 - i. frequent or large volume cash deposits, wire transfers and book entry transfers to or from offshore or domestic entities or individuals;
 - ii. the purpose and balance of the account;
 - iii. the officers, directors and major shareholder of any corporate customer and the partners of any partnership customer;
 - iv. any other accounts or related accounts maintained by the customer and, as applicable, its officers, directors, major shareholders or partners;
 - v. a detailed analysis of the due diligence performed on the customer and, as applicable, its officers, directors, major shareholders or partners;
 - vi. any unusual activity for each account; and
 - vii. any action the Bank has taken on the account.
- (c) transactions occurring on a daily, weekly, monthly, quarterly and annual basis, which segregate transactions that pose a greater than normal risk for compliance with the Bank Secrecy Act;

- (d) any type of subpoena received by the Bank and any law enforcement inquiry directed to the Bank and any actions taken by the Bank on the affected account; and
- (e) any other reports deemed necessary or appropriate by the BSA Officer or the Bank.

(2) The BSA Officer or his/her designee shall periodically review, not less than each calendar year, all account documentation for all high-risk accounts and related accounts to those customers at the Bank to determine whether the account activity is consistent with the customer's business and the stated purpose of the account.

(3) The system developed pursuant to paragraph (1) shall incorporate sufficient controls and processes for identifying and reporting known or suspected violations of Federal law, violations of the BSA, 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 to ensure compliance with the requirements to file SARs set forth in 12 C.F.R. § 21.11, as amended.

(4) The term "related accounts," as referenced in this Article, shall be broadly construed and shall include the following:

- (a) all accounts for which there are common signatories, officers, directors, addresses, taxpayer identification numbers, or phone numbers that can be reasonably identified;
- (b) all accounts of a customer's immediate relatives by blood, marriage, or adoption (e.g., spouses, children, parents, siblings, uncles, and aunts) that can be reasonably identified;

- (c) all accounts of any corporation, joint enterprise, partnership or any undertaking whatsoever that can be reasonably identified as controlled by or operated substantially in the interest of any Bank customer; “control” includes direct or indirect ownership of ten percent (10%) or more of the stock, capital, or equity of any such undertaking; and
- (d) any account(s) so designated by the Director.

(5) Within ninety (90) days of the date of this Order, the Bank shall complete the implementation of, and provide the OCC with a detailed report of the scope, parameters and conclusions of the its ongoing look-back of certain accounts and transactions as identified in the 2013 Exam. Upon completion of the look-back, the Bank shall report to the OCC the accounts reviewed and provide copies of the SARs filed as a result of the look-back. Any transactions involving reports to OFAC shall also be identified in this report.

ARTICLE X

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 revise, adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program, including its scope, testing and documentation, is sufficient to:

- (a) detect irregularities in the Bank’s operations, if any;
- (b) determine the Bank’s level of compliance with 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 and audit frequency in all areas; and

(f) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives a current list of all accounts associated with a relationship, a country or PEPS.

(2) The Board, or a designated committee of the Board, shall ensure appropriate oversight of the BSA compliance audit function, with particular emphasis on an adequately staffed BSA department or outside firm with respect to both the experience level and number of the individuals employed.

(3) All audit reports shall be in writing and supported by adequate work papers, 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.

(4) The Board, or 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.

ARTICLE XI

WEALTH MANAGEMENT DEPARTMENT

(1) Within ninety (90) days of the date of this Order, the Board shall implement, and thereafter ensure the Bank's adherence to a written program of policies and procedures to provide for compliance with the Bank Secrecy Act within the Wealth Management Department. The written program shall include policies and procedures that provide the Bank's BSA Officer and BSA personnel full and complete access to the Wealth Management Department systems, and books and records to monitor for suspicious or unusual activities, including wire transfers and remote deposit capture (RDC) activities. At a minimum, this written program shall establish:

- (a) reviews of funds transfer (including intermediary wires and cover payments) including:
 - i. wire transfer activity (including common originators and beneficiaries);
 - ii. funds transfers or book entry transfers that are deposited into related or unrelated accounts
- (b) periodic analysis of wire transactions and RDC;
- (c) reviews of high-risk transactions, accounts, customers, products, services, and geographic area on an annual basis;
- (d) timely and accurate submission of SARS based on these reviews and analysis; and
- (e) adequate policies and procedures and documentation concerning the determination of whether to file a SAR or not file a SAR.

(2) The written program pursuant to paragraph one (1) of this Article shall include the development and implementation of written policies and procedures to provide for monitoring of all types of transactions, accounts, customers, products, services, and geographic areas, by the Bank's BSA Department, that pose greater than normal risk for compliance with the BSA.

(3) Until the Bank has received a prior written determination that the Bank has effectively implemented the revised Wealth Management BSA program:

- (a) For any new Wealth management customers that do not have a transaction account, the Bank shall engage an independent third party to conduct a BSA/AML/OFAC review of all funds or disbursements received by the Wealth Management Department by or through any custodial account within 15 days of such activity.

- (b) For any existing Wealth Management customers that do not have a transaction account, the Bank shall engage an independent third party to conduct a BSA/AML/OFAC review of all new funds or disbursements received by the Wealth Management department by or through any custodial account within 60 days of such activity.

(4) Within thirty (30) days of this Order, the Bank shall submit to the Director for a prior written determination of no supervisory objection, the name, qualifications, and terms of engagement for the independent consultant engaged to conduct the independent third party review required by paragraph (3).

ARTICLE XII

THIRD PARTY REVIEW OF WEALTH MANAGEMENT ACCOUNTS

(1) Within forty-five (45) days of the date of this Order, the Board shall engage the services of an independent third party consultant to verify, all transactions in the amount of \$100,000 or greater, from January 1, 2013 to present, the accuracy and completeness of the Bank's books and records of all clearing and/or ledger accounts used to process customers' transaction in the Wealth Management Department. At a minimum, this review and verification shall include Gibraltar Private Wealth Management (Check Clearing) Account number ending in XXXX8257.

(2) The engagement required by this Article shall be consistent with OCC Bulletin 2013-33.

(3) Prior to engaging the third party consultant, the Bank shall submit the name and qualifications of the consultant, the proposed scope of the review, and a copy of the engagement contract to the Director for review and a prior written determination of no supervisory objection.

(4) The Board may engage the same third party contractor engaged to perform the complete review of the Bank's BSA/AML Compliance Program as outlined in Article V.

(5) The review must be completed within sixty (60) days of receipt of the Director's prior written no supervisory objection.

(6) The results of the audit must be forwarded to the Director and shall include the Board's plan to address any recommendations or deficiencies identified, file all appropriate SARs, and make any changes to existing Bank accounting practices, as necessary. Based on the results of this review, the Bank shall conduct a more extensive review if directed to do so in writing by the Director.

ARTICLE XIII

VIOLATIONS OF LAW

(1) The Board shall require and the Bank shall promptly take all necessary steps to correct each violation of law, rule, or regulation cited in the most recent ROE or any subsequent ROE, or brought to the Board's or the Bank's attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within thirty (30) days after a violation is cited or brought to the Board's or the Bank's attention, the Bank shall provide to the Board a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified date.

(2) The 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.

(3) Within thirty (30) days of the date of this Order, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to:

- (a) specific procedures to prevent future violations as cited in the most recent ROE; and
- (b) general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

ARTICLE XIV

OTHER PROVISIONS

(1) Although the Bank is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Director, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) In each instance in this Order in which the Board is required to take action, ensure adherence to and undertake to perform certain obligations of the Board or of the Bank, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt such actions on behalf of the Bank as may be necessary to perform its obligations and undertakings under the terms of this Order;
- (b) ensure that the Bank has sufficient processes, management, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Order, and that Bank management and personnel have sufficient training and authority to execute their duties under this Order;
- (c) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;

- (d) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (e) require corrective action be taken in a timely manner of any non-compliance with such actions.

(3) Each citation or referenced guidance included in this Order includes any subsequent guidance that replaces, supersedes, amends, or revises the cited law, regulation, or guidance.

(4) The provisions of this Order are effective upon issuance 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, through his authorized representative.

(5) Except as otherwise expressly provided herein, any time limitations imposed by this Order shall begin to run from the effective date of this Order.

(6) If the Bank requires a waiver or suspension of any provision or an extension of any timeframe within this Order, the Board shall submit a written request to the Director asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail, with relevant supporting documentation, the special facts and circumstances that support the waiver or suspension of any provision or an extension of a timeframe within this Order.

(7) The Director's decision concerning a request submitted pursuant to paragraph six (6) of this Article is final and not subject to further review.

(8) 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.

(9) 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.

(10) 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.

(11) All reports or plans that the Bank or Board has agreed to submit to the Director pursuant to this Order shall be forwarded, by overnight mail or via email, to the following:

Director for Special Supervision *with a copy to:*

Comptroller of the Currency
400 7th Street, S.W.
Suite 3E-218,
Mail Stop 8E-12
Washington, D.C. 20219

OCC
South Florida Field Office
9800 Northwest 41st Street
Suite 120
Miami, FL 33178

(12) The Office of Thrift Supervision and the Bank entered into a Cease and Desist Order dated October 15, 2010 ("Cease and Desist Order"). This Consent Order replaces the Cease and Desist Order in its entirety and, therefore, the Cease and Desist Order is hereby terminated. Provided, however, that the Bank and its institution-affiliated parties remain liable for any violation of the Order preceding its termination.

IT IS SO ORDERED, this **16th day of October, 2014.**

/s

Henry Fleming
Director for Special Supervision

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

In the Matter of:)
)
) AA-EC-2014-13
Gibraltar Private Bank and Trust Company)
Coral Gables, Florida)

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 Gibraltar Private Bank and Trust Company, Coral Gables, Florida (“Bank”) pursuant to 12 U.S.C. § 1818 through the issuance of a Notice of Charges for unsafe or unsound banking practices relating to compliance with the Bank Secrecy Act, violations of law and regulation, and for failure to comply with the Order to Cease and Desist dated October 15, 2010.

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order (“Consent Order”) dated **October 16, 2014** (“Stipulation”).

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

ARTICLE I

JURISDICTION

(1) The Bank is a Federal Savings Association within the meaning of 12 U.S.C. § 1462(2), which was chartered and examined by the Office of Thrift Supervision (“OTS”) pursuant to the Home Owners’ Loan Act, as amended, 12 U.S.C. § 1461 *et seq.*

(2) Pursuant to Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010), all functions of the OTS related to Federal Savings Associations were transferred to the Comptroller.¹

(3) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(4) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. §§ 1813(c) and 1818(b)(1).

ARTICLE II

AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to 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” pursuant to 12 U.S.C. § 1818(h)(2); (b) become 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.

¹ See Dodd-Frank Act § 312(b), 12 U.S.C. § 5412.

(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 expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States 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 to any person or entity, other than the parties hereto, and their successors 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 consenting to this Stipulation, waives:
- (a) any and all procedural rights available in connection with the issuance of the Consent Order;
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), 12 C.F.R. Part 109;
 - (c) all rights to seek any type of administrative or judicial review of the Consent Order;
 - (d) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Consent

Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and

(e) any and all rights to challenge or contest the validity of the Consent 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 the Consent 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, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The terms of this Stipulation and the Consent 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 _____
Henry Fleming
Director for Special Supervision

10/16/2014
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
Gail Birks

10/9/2014
Date

/s
Eduardo Cisneros

10/9/2014
Date

/s
Robert Dickinson

10/9/2014
Date

/s
James T. Dyke

10/9/2014
Date

/s
Adolfo Henriques

10/9/2014
Date

/s
David Kirkland

10/9/2014
Date

/s
Ronald G. Stone

10/9/2014
Date