

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

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In the Matter of:)	
)	
U.S. Bank National Association)	AA-EC-2015-77
Cincinnati, OH)	
)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted examinations of U.S. Bank National Association, Cincinnati, OH (“Bank”). The OCC has identified deficiencies in the Bank’s overall program for Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) compliance and has informed the Bank of the findings resulting from the examinations.

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 October 23, 2015, that is accepted by the Comptroller (“Stipulation”). By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order (“Order”) by the Comptroller. The Bank has begun corrective action, and has committed to taking all necessary and appropriate steps to remedy the deficiencies identified by the OCC, and to enhance the Bank’s BSA/AML compliance program.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The OCC's examination findings from 2014 and 2015 establish that the Bank has deficiencies in its BSA/AML compliance program. These deficiencies have resulted in a BSA/AML compliance program violation under 12 U.S.C. § 1818(s) and its implementing regulations 12 C.F.R. § 21.21 (BSA Compliance Program). In addition, the Bank has violated 12 C.F.R. § 21.11 (Suspicious Activity Report Filings).

(2) The Bank has failed to adopt and implement a compliance program that adequately covers the required BSA/AML program elements due to an inadequate system of internal controls, ineffective independent testing, and inadequate training, and the Bank failed to file all necessary Suspicious Activity Reports ("SARs") related to suspicious customer activity.

(3) Some of the critical deficiencies in the elements of the Bank's BSA/AML compliance program, resulting in a violation of 12 U.S.C. § 1818(s)(3)(A) and 12 C.F.R. § 21.21, include the following:

(a) The Bank has an inadequate system of internal controls, ineffective independent testing, and inadequate training.

(b) The Bank has systemic deficiencies in its transaction monitoring systems, which resulted in monitoring gaps.

(c) The Bank has systemic deficiencies in its customer due diligence processes.

(4) The Bank failed to identify certain suspicious activity and file the required SARs concerning suspicious customer activities, in violation of 12 C.F.R. § 21.11.

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

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall appoint and maintain a Compliance Committee of at least three (3) directors of the Bank or U.S. Bancorp, of which a majority may not be employees or officers of the Bank or any of its subsidiaries or affiliates. The Compliance Committee shall be responsible for coordinating and monitoring the Bank's adherence to the provisions of this Order. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within one hundred twenty (120) days of the effective date of this Order, and thereafter within thirty (30) days after the end of each calendar quarter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with each Article of this Order, and the results and status of those actions, including improvements to the BSA/AML Program.

(3) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Examiner-in-Charge at the Bank ("Examiner-in-Charge") within ten (10) days of receiving such report.

ARTICLE III

COMPREHENSIVE BSA/AML ACTION PLAN

(1) Within ninety (90) days of the effective date of this Order, the Bank shall submit to the Examiner-in-Charge for review and determination of no supervisory objection by the Deputy Comptroller for Large Bank Supervision (“Deputy Comptroller”) a plan containing a complete description of the actions that are necessary and appropriate to achieve full compliance with Articles IV through VIII of this Order (“BSA/AML Action Plan”). The Bank shall implement the BSA/AML Action Plan upon the Deputy Comptroller’s issuance of a written determination of no supervisory objection. In the event the Deputy Comptroller requires the Bank to revise the plan, the Bank shall promptly make and the Board shall approve necessary and appropriate revisions and resubmit the BSA/AML Action Plan to the Examiner-in-Charge for review and determination of no supervisory objection by the Deputy Comptroller. Following implementation, the Bank shall not take any action that will cause a significant deviation from, or material change to, the BSA/AML Action Plan unless and until the Bank has received a prior written determination of no supervisory objection from the Deputy Comptroller. The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the BSA/AML Action Plan. The Board shall further ensure that, upon implementation of the BSA/AML Action Plan, the Bank achieves and maintains an effective BSA/AML compliance program, in accordance with the BSA and its implementing regulations. In each instance in this Order in which the Board is required to ensure adherence to or 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;
- (b) Require the timely reporting by Bank management of such actions directed by the Board to be taken under this Order;
- (c) Require corrective action be taken in a timely manner for any non-compliance with such actions; and
- (d) Follow-up on any non-compliance with such actions in a timely and appropriate manner.

(2) The BSA/AML Action Plan must specify timelines for completion of each of the requirements of Articles IV through VIII of this Order. The timelines in the BSA/AML Action Plan shall be consistent with any deadlines set forth in these Articles, unless modified by written agreement with the Deputy Comptroller.

(3) Upon request by the Deputy Comptroller or the Examiner-in-Charge, the Bank shall modify the BSA/AML Action Plan to address any Matters Requiring Attention concerning BSA/AML matters, or citations of violations of law concerning BSA/AML matters, which the OCC may issue to the Bank following the effective date of this Order.

(4) The Bank shall ensure that it has sufficient processes, personnel, and control systems to implement and adhere to this Order. The BSA/AML Action Plan must specify in detail staffing plans that are necessary to achieve and maintain full compliance with Articles IV through VIII of this Order.

(5) Within ten (10) days of this Order, the Bank shall designate an officer to be responsible for coordinating and submitting to the OCC the written plans, reports, and other documents required to be submitted under the terms and conditions of this Order.

ARTICLE IV

BSA/AML/OFAC COMPLIANCE PROGRAM EVALUATION

AND RISK ASSESSMENT AND COMPLIANCE PLAN

(1) Within sixty (60) days of the effective date of this Order, the Bank shall provide an action plan for the completion of an evaluation of the Bank's BSA/AML and Office of Foreign Asset Control ("OFAC") compliance programs to the Examiner-in-Charge for a written determination of no supervisory objection. If the Examiner-in-Charge recommends changes to the evaluation, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

(2) The evaluation required pursuant to Paragraph (1) of this Article shall be completed and submitted to the Examiner-in-Charge within ninety (90) days following the non-objection of the Examiner-in-Charge to the action plan referred to in Paragraph (1) of this Article. This evaluation shall include assessments of the BSA/AML and OFAC compliance programs' organizational structure, enterprise-wide effectiveness, competency of management, accountability, staffing requirements, internal controls, customer due diligence processes, risk assessment processes, suspicious activity monitoring systems, sanctions screening systems, audit/independent testing, and training. The evaluation shall include recommendations for enhancements needed to achieve remediation of any deficiencies identified in the evaluation.

(3) This evaluation shall also include a comprehensive assessment of the Bank's BSA/AML risk, including detailed quantification of risk to accurately assess the level of risk and the adequacy of controls. The comprehensive assessment shall include:

- (a) An assessment of the AML risk associated with each line of business, and an enterprise-wide assessment of AML risk. This evaluation shall include, but not be limited to, an assessment of the risk associated with products such as correspondent banking, pre-paid cards and mobile banking, cash vault services, and remote deposit capture, and customer types such as non-bank financial institutions, cash-intensive businesses, business, commercial, and private banking, and other higher risk products, services, customers, or geographies. The purpose of the enterprise-wide assessment is to identify systemic AML risk that may not be apparent in a risk assessment focused on line of business or assessment units;
- (b) Evaluation of the Bank's current methodology for identifying and quantifying the level of BSA/AML risk associated with categories of customers and for specific customers. The methodology should ensure that the relationships are reviewed holistically, across lines of business, taking into consideration the risk within the Bank. This evaluation shall result in the development of a comprehensive, risk-based approach to quantifying BSA/AML risk for new and existing customers. The quantification of risk shall encompass a customer's entire relationship with the Bank, include the purpose of the account, actual or anticipated activity in the account (e.g., type, volume, and value (number and dollar)

of transaction activity engaged in), nature of the customer's business or occupation, customer location (e.g., customers' geographic location, where they transact business, and have significant operations), types of products and services used by the customer, material changes in the customer's relationship with the Bank, as well as other factors discussed within the FFIEC BSA/AML Examination Manual;

- (c) The identification of specific lines of business, geographies, products or processes where controls are not commensurate with the level of AML risk exposure;
- (d) The risk assessment shall be refreshed periodically, the timeframe for which shall not exceed twelve months, or whenever there is a significant change in AML risk within the Bank or line of business. The AML risk assessments shall also be reviewed by internal audit for the adequacy of identification of risk; control plan to manage identified risks; gap analyses where controls are not sufficient; and action plans to address gaps; and
- (e) The aggregation of the Bank's enterprise-wide AML risk shall be logical and clearly supported in the work papers. The work papers and supporting documentation shall be readily accessible for OCC review.

(4) An OFAC risk assessment shall be performed annually and include the same criteria.

(5) Within ninety (90) days of completing the evaluation required pursuant to paragraph (1) of this Article, the Bank shall prepare a comprehensive BSA/AML/OFAC compliance plan that addresses all identified deficiencies and weaknesses in the Bank's

BSA/AML and OFAC compliance programs and shall submit such plan to the Examiner-in-Charge. If the Examiner-in-Charge recommends changes to such plan, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge. The plan required by this paragraph shall then become part of the BSA/AML Action Plan required by Article III.

ARTICLE V

CUSTOMER DUE DILIGENCE

(1) Within ninety (90) days of the effective date of this Order, the Bank shall ensure that appropriate customer due diligence policies, procedures, processes, and training are developed, all in accordance with the FFIEC BSA/AML Examination Manual and other applicable regulatory guidance. These controls shall be implemented and applied on a Bank-wide basis. Minimum corporate standards shall provide enterprise-wide requirements, and individual lines of business and AML compliance management shall develop standards based on their client base, products, services, geographic risk, and other AML risk factors. Customer due diligence shall be commensurate with the customer's risk profile, and sufficient for the Bank to develop an understanding of normal and expected activity for the customer's occupation or business operations. The customer due diligence process shall include the following items:

- (a) Information regarding the client's/customer's relationships with the Bank, all lines of business within the Bank, and all Bank subsidiaries or affiliates (that are subject to management control by the Banks' holding company). This includes accounts within other lines of business, regions, and countries (as permitted by jurisdiction). The relationship includes its

owners, principals, signers, subsidiaries, affiliates, and parties with the ability to manage or control the account or client (all in accordance with the FFIEC BSA/AML Examination Manual the Interagency Guidance on Beneficial Ownership Information (OCC 2010-11) and other applicable regulatory guidance);

- (b) An electronic due diligence database, which includes information specified in subparagraph (a) above, that is readily accessible to the relationship manager or other parties responsible for the customer relationship, AML compliance personnel, suspicious activity monitoring alert analysts and investigators, and quality control and assurance personnel;
- (c) Customer due diligence shall be periodically updated to reflect changes in the customer's behavior, activity profile, derogatory information, periodic reviews of the customer relationship, or other factors that impact the AML risk for the client and shall include any remediation required by the standards required by the Article. The periodic updates shall be documented, and subject to quality assurance processes;
- (d) The client relationship AML risk shall be detailed in the customer due diligence record, along with the supporting factors, including transaction activity, geographies involved, and suspicious activity monitoring alert and filing history, among others;
- (e) Specialized or enhanced due diligence for higher risk clients and/or products and services shall be implemented enterprise-wide. These due

diligence standards shall comply with the FFIEC BSA/AML Examination Manual, the Interagency Guidance on Beneficial Ownership Information (OCC 2010-11), as well as industry standards; and

- (f) Management processes to periodically review, based on the relationship risk, the type, volume, and value of customer activities in relation to normal and expected levels. The purpose of these reviews shall be to determine if the customer's activity is reasonable, that customer due diligence is current and complete, and the customer risk rating is accurate. These reviews shall be documented and quality assurance processes must ensure the reviews are comprehensive and accurate. Standards and processes shall be established for elevating reviews for additional management consideration regarding increased monitoring, additional due diligence, or account closure.

(2) The Bank shall submit its policies and procedures for customer due diligence to the Examiner-in-Charge. If the Examiner-in-Charge recommends changes to the policies or procedures, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE VI

SUSPICIOUS ACTIVITY IDENTIFICATION AND REPORTING

(1) Within ninety (90) days of this Order, the Bank shall develop and thereafter shall maintain a written program of policies and procedures to ensure, pursuant to 12 C.F.R. § 21.11,

the timely and appropriate review and disposition of BSA/AML suspicious activity alerts, and the timely filing of Suspicious Activity Reports (“SARs”).

(2) Within sixty (60) days of this Order, the Bank shall evaluate its suspicious activity identification processes to ensure they are effective and provide comprehensive coverage to the Bank. This evaluation shall include an assessment of the capabilities of any surveillance and transaction monitoring systems used; the scope of coverage provided by the systems; and the management of those systems. Upon completion, the Bank shall submit this evaluation to the Examiner-in-Charge for a written determination of no supervisory objection. The evaluation shall address, but not be limited to, the following issue:

- (a) An assessment of the functionality of automated transaction monitoring systems used to determine if the systems are sufficiently robust to provide for the timely identification of potentially suspicious activity. A comprehensive listing of weaknesses or deficiencies in the system, the risks presented by these deficiencies, and proposed corrective actions.

(3) Management’s implementation of each surveillance and transaction monitoring system shall ensure the following:

- (a) The integrity of data feeding the transaction monitoring systems;
- (b) The system has been sufficiently tailored to the Bank’s risk profile and operations;
- (c) The system’s functionality is being utilized to appropriately address risk, including the ability to aggregate data across platforms, lines of business, and relationships; and

- (d) The business logic units, parameters, rules, or other factors selected for automated monitoring are appropriate and effective in identifying client activity that is unreasonable or abnormal given the nature of the client's occupation or business and expected activity. In addition, there shall be:
 - (i) Sufficient management information and metrics to manage and adjust the system, as necessary; and
 - (ii) Statistically valid processes to validate and optimize monitoring system settings and thresholds, and to measure the effectiveness of the automated system and individual scenarios, where appropriate.

(4) Management implementation of the alert investigation processes shall ensure the following:

- (a) The adequacy of staffing to investigate and clear alerts;
- (b) The quality and completeness of information available to analysts working transaction monitoring alerts and conducting investigations;
- (c) The standards for dispositioning different types of alerts are reasonable, communicated in writing to relevant staff, and are adhered to by the alert investigators;
- (d) Adequate documentation is maintained to support the disposition of alerts;
- (e) The availability and adequacy of information to investigate potentially suspicious activity, including, if applicable, information from multiple lines of business a customer transacts with or information from bank subsidiaries or affiliates (that are subject to management control by the Banks' holding company);

- (f) Standards that ensure accounts with high volumes of alerts are identified, elevated, and properly categorized as high risk, and subject to enhanced due diligence and monitoring;
- (g) Sufficient quality control processes to ensure the surveillance and transaction monitoring system, alert management process, and SAR decisioning and filing are working effectively and according to internal standards; and
- (h) The adequacy of training for staff involved in the investigation and clearing of alerts, filing of SARs, quality control and assurance processes, and management of the surveillance and transaction monitoring system.

ARTICLE VII

ACCOUNT/TRANSACTION ACTIVITY AND SUSPICIOUS ACTIVITY REPORT REVIEW

("LOOK-BACKS")

(1) Within thirty (30) days of the effective date of this Order, the Bank shall submit an acceptable action plan to the Examiner-in Charge for a written determination of no supervisory objection for conducting a review of account and transaction activity (collectively, the "Look-backs") covering areas to be specified in writing by the Examiner-in Charge.

(2) The purpose of the Look-backs is to determine whether suspicious activity was timely identified by the Bank, and, if appropriate to do so, was then timely reported by the Bank in accordance with 12 C.F.R. § 21.11.

(3) Upon completion of the Look-backs: (i) the Bank shall ensure that SARs have been filed, in accordance with 12 C.F.R. § 21.11, for any previously unreported suspicious

activity identified during this review; (ii) the written findings shall be reported to the Board; and (iii) the Bank will provide periodic and final reports to the Examiner-in-Charge, containing relevant information, identifying any SARs filed as a result of previously unreported suspicious activity.

(4) The OCC may expand the scope of the account and transaction review or require a longer account and transaction look-back period. If an additional account and transaction look-back is deemed appropriate by the OCC, the Bank shall complete the account and transaction look-back in accordance with this Article.

ARTICLE VIII

INDEPENDENT TESTING AND AUDIT

(1) Within ninety (90) days of the effective date of this Order, the Bank shall revise, implement, and maintain an effective program to audit the Bank's BSA/AML Compliance Program ("Audit Program"). The Audit Program shall include, at a minimum:

- (a) A formal process to track and report upon Bank management's remediation efforts to strengthen the Bank's BSA/AML compliance program;
- (b) Testing of the adequacy of internal controls designed to ensure compliance with BSA and its implementing regulations;
- (c) A risk-based approach that focuses transactional testing on higher-risk clients, products, geographies, and significant relationships; and
- (d) A requirement for prompt management response and follow-up to audit exceptions or other recommendations of the Bank's auditor.

(2) The Audit Program shall evaluate internal controls and effectively and timely identify non-compliance with policy, laws, rules, and regulations across lines of business and within lines of business. At least annually, the Audit Program shall evaluate the adequacy of the Bank's BSA Program based on the results of the independent testing, and considering changes in the quantity of AML risk or AML risk management.

(3) Within sixty (60) days of the effective date of this Order, the Bank shall conduct an evaluation of the adequacy of staffing of the Audit Program with respect to experience level, specialty expertise regarding BSA/AML and OFAC, and the number of the individuals employed. In addition, the Bank shall conduct an evaluation of the sufficiency of training of Audit Program staff.

(4) The Bank's Audit Program shall report all internal audit identified deficiencies to the Compliance Committee, the Bank's Audit Committee, and to senior compliance management. The reports shall indicate the severity of the deficiencies, the risks, the corrective actions, and timeframes. Corrective actions must be followed-up by internal audit within a reasonable period of time until closed. Monthly status reports on corrective action status shall be provided to the Compliance Committee and the Bank's Audit Committee.

(5) Within ninety (90) days of the effective date of this Order, the Bank shall submit the Audit Program to the Examiner-in-Charge for a prior written determination of no supervisory objection. If the Examiner-in-Charge recommends changes to the Audit Program, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE IX

APPROVAL, IMPLEMENTATION, AND REPORTS

(1) The Bank shall submit the written plans, programs, policies, and procedures required by this Order for review and determination of no supervisory objection to the Examiner-in-Charge within the applicable time periods set forth in Articles III through VIII. The Board shall ensure that the Bank submits the plans, programs, policies, and procedures to the Examiner-in-Charge for prior written determination of no supervisory objection. In the event the Deputy Comptroller or Examiner-in-Charge asks the Bank to revise the plans, programs, policies, or procedures, the Bank shall promptly make necessary and appropriate revisions and resubmit the materials to the Examiner-in-Charge for review and determination of no supervisory objection. Upon receiving written notice of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge, the Board shall ensure that the Bank implements and thereafter adheres to the plans, programs, policies, and procedures.

(2) During the term of this Order, the required plans, programs, policies, and procedures shall not be amended or rescinded in any material respect without a prior written determination of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge.

(3) During the term of this Order, the Bank shall revise the required plans, programs, policies, and procedures as necessary to incorporate new, or changes to, applicable legal requirements and supervisory guidelines.

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

(5) All communication regarding this Order shall be sent to:

Grace E. Dailey
Examiner-in-Charge
National Bank Examiners
800 Nicollet Mall
Minneapolis, MN 55402-4302

or such other individuals or addresses as directed by the OCC.

ARTICLE X

OTHER PROVISIONS

(1) Although this Order requires the Bank to submit certain actions, plans, programs, and policies for the review or prior written determination of no supervisory objection by the Deputy Comptroller or the Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States 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) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the practices and violations of law or regulation described in the Comptroller's Findings set forth in Article I of this Order. The Comptroller releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of the Order, to the extent known to the Comptroller as of the effective date

of the Order. Nothing in the Stipulation or this Order, however, shall prevent the Comptroller from:

- (a) instituting enforcement actions, other than a cease and desist order, against the Bank based on the findings set forth in Article I of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of this Order, or any other findings; or
- (d) utilizing the findings set forth in Article I of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in the Stipulation or this Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation and this Order.

(4) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provision of this Order shall be amended, suspended, waived, or terminated in writing by the Comptroller or his authorized representative.

(5) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise. The time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in

detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) The terms and provisions of this Order apply to U.S. Bank National Association and all its subsidiaries, even though those subsidiaries are not named as parties to this Order. The Bank shall integrate any activities done by a subsidiary into its plans, policies, programs, and processes required by this Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Order.

(7) 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 the Comptroller or the United States. Without limiting the foregoing, nothing in this Order shall affect any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(8) 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 23 day of October, 2015

S/Maryann H. Kennedy

Maryann H. Kennedy
Deputy Comptroller
Large Bank Supervision

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

In the Matter of:)	
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U.S. Bank National Association)	AA-EC-2015-77
Cincinnati, OH)	
)	

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

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to issue a cease and desist order to U.S Bank National Association, Cincinnati, OH (“Bank”), pursuant to 12 U.S.C. § 1818(b), for violations of 12 U.S.C. § 1818(s), and Bank Secrecy Act regulations, 12 C.F.R. §§ 21.11 and 21.21;

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

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

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

ARTICLE II

CONSENT

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

(2) The terms and provisions of the Consent Order apply to the Bank and all of its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.

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

(4) 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), 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.

(5) 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 this Stipulation.

(6) 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.

(7) The Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the practices and violations of law described in the Comptroller's Findings set forth in Article I of the Consent Order. The Comptroller releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Nothing in this Stipulation or the Consent Order, however, shall prevent the Comptroller from:

- (a) instituting enforcement actions other than a cease and desist order against the Bank based on the findings set forth in Article I of the Consent Order;
- (b) instituting enforcement actions against the Bank based on any other findings;

- (c) instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of the Consent Order, or any other findings; or
- (d) utilizing the findings set forth in Article I of the Consent Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in this Stipulation or the Consent Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
 - (a) Any and all rights to 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 Consent Order;
 - (c) Any and 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 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) 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;

- (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity; and
- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

ELIGIBLE BANK – OTHER PROVISIONS

- (1) As a result of the Consent Order:
 - (a) The Bank is an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies and procedures for corporate activities, unless otherwise informed in writing by the Office of the Comptroller of the Currency (“OCC”);
 - (b) The Bank is not subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC;
 - (c) The Bank is not subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and

12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC;

- (d) The Bank’s status as an “eligible bank” remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding community and economic development, unless otherwise informed in writing by the OCC; and
- (e) The Consent Order shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

ARTICLE V

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of 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/Maryann H. Kennedy

10/23/15

Maryann H. Kennedy
Deputy Comptroller
Large Bank Supervision

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of U.S. Bank National Association, have hereunto set their hands on behalf of the Bank.

S/Richard K. Davis
Richard K. Davis

10/13/15
Date

S/Jennie P. Carlson
Jennie P. Carlson

10/13/15
Date

S/Andrew Cecere
Andrew Cecere

10/13/15
Date

S/James L. Chosy
James L. Chosy

10/14/15
Date

S/Terrance R. Dolan
Terrance R. Dolan

10/14/15
Date

S/John R. Elmore
John R. Elmore

10/13/15
Date

S/Roland A. Hernandez
Roland A. Hernandez

10/14/15
Date

S/Shailesh M. Kotwal
Shailesh M. Kotwal

10/13/2015
Date

S/P.W. (Bill) Parker	10/13/2015
P. W. (Bill) Parker	Date
S/Richard B. Payne, Jr.	10/13/15
Richard B. Payne, Jr.	Date
S/Katherine B. Quinn	10/13/15
Katherine B. Quinn	Date
S/Kathleen A. Rogers	10/13/15
Kathleen A. Rogers	Date
S/Mark G. Runkel	10/13/15
Mark G. Runkel	Date
S/Craig D. Schnuck	10/13/15
Craig D. Schnuck	Date
S/Kent v. Stone	10/13/15
Kent V. Stone	Date
S/Jeffry H. von Gillern	10/14/2015
Jeffry H. von Gillern	