

**AGREEMENT BY AND BETWEEN
West Valley National Bank
Phoenix, Arizona
and**

AA-WE-2021-12

The Office of the Comptroller of the Currency

West Valley National Bank, Phoenix, Arizona (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practice(s), including those relating to strategic, succession and capital planning; and Bank Secrecy Act (“BSA”) risk management.

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (“Board”), hereby agree that the Bank shall operate at all times in compliance with the following:

ARTICLE I

JURISDICTION

- (1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).
- (2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*
- (3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

ARTICLE II

COMPLIANCE COMMITTEE

(1) By March 31, 2021, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) By June 1, 2021, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;
- (b) the specific corrective actions undertaken to comply with each Article of this Agreement; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

ARTICLE III

STRATEGIC PLANNING

(l) Within one hundred twenty (120) days of the date of this Agreement, the Board shall develop and submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable, revised written strategic plan for the Bank, covering at least a three-year time period (“Strategic Plan”). The Strategic Plan shall establish objectives for the Bank’s overall risk profile, earnings performance, growth, activities of high-risk cash intensive businesses, balance sheet mix, off-balance sheet activities, liability structure, and 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) an assessment of the Bank’s strengths, weaknesses, opportunities and threats that impact its strategic goals and objectives;
- (d) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, policies, and procedures for their adequacy and contribution to the accomplishment of the strategic goals and objectives developed under paragraph (1)(b) of this Article;
- (e) a management employment and succession plan designed to promote adequate staffing and continuity of capable management consistent with the requirements in Article IV;

- (f) a realistic and comprehensive budget that corresponds to the Strategic Plan's goals and objectives;
- (g) an action plan to improve and sustain the Bank's earnings and accomplish identified strategic goals and objectives;
- (h) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the Strategic Plan;
- (i) a detailed description and assessment of major capital expenditures required to achieve the goals and objectives of the Strategic Plan;
- (j) an identification and prioritization of initiatives and opportunities, including time frames that comply with the requirements of this Agreement;
- (k) a description of the Bank's target market(s) for primary products including, but not limited to, high-risk cash intensive businesses, and competitive factors in its identified target market(s), and a description of controls systems to mitigate risks in the Bank's target market(s);
- (l) an identification and 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;
- (m) a comprehensive profitability analysis for the Bank, which should be sufficiently detailed for the high-risk cash intensive businesses, and incorporates staffing analysis findings made pursuant to Article IV;

- (n) concentration limits (asset and liability concentrations) commensurate with the Bank's strategic goals and objectives and risk profile;
- (o) assigned roles, responsibilities, and accountability for the strategic planning; and
- (p) a description of systems and metrics designed to monitor the Bank's progress and hold management accountable for meeting strategic initiatives consistent with the Board's risk appetite.

(2) If the Strategic Plan under paragraph (1) of this Article includes a proposed sale or merger of the Bank, including a transaction pursuant to 12 U.S.C. § 215a-3, the Strategic Plan shall, at a minimum, address the steps that shall be taken and the associated timeline to effect the implementation of that alternative.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the "revised" Strategic Plan or to any subsequent amendment to the Strategic Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan. The Board shall review the effectiveness of the Strategic Plan at least annually, no later than January 31 each year, and more frequently if necessary or if required by the OCC in writing, and amend the Strategic Plan as needed or directed by the OCC. Any amendment to the Strategic Plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) Until the Strategic Plan required under this Article has been submitted by the Bank for the Assistant Deputy Comptroller's review, has received a written determination of no supervisory objection from the Assistant Deputy Comptroller and has been adopted by the

Board, 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 immediately before the effective date of this Agreement without first obtaining the Assistant Deputy Comptroller's prior written determination of no supervisory objection to such significant deviation.

(5) The Bank may not initiate any action that significantly deviates from a Strategic Plan (that has received written determination of no supervisory objection from the Assistant Deputy Comptroller and has been adopted by the Board) without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(6) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in paragraphs (4) or (5) of this Article shall be submitted in writing to the Assistant Deputy Comptroller at least thirty (30) days in advance of the proposed significant deviation. Such written request by the Bank shall include an assessment of the effects of such proposed change on the Bank's condition and risk profile, 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 proposed change.

(7) For the purposes of this Article, changes that may constitute a significant deviation 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 the aggregate, may have a material effect on the Bank's operations or financial performance; or any other changes in

personnel, operations, or external factors that may have a material effect on the Bank's operations or financial performance.

(8) At least quarterly, a written evaluation of the Bank's performance against the Strategic Plan shall be prepared by Bank management and submitted to the Board. Within thirty (30) days after submission of the evaluation, the Board shall review the evaluation and determine the corrective actions the Board will require Bank management to take to address any identified shortcomings. The Board's review of the evaluation and discussion of any required corrective actions to address any identified shortcomings shall be documented in the Board's meeting minutes. Within fifteen (15) days of completing the evaluation, the Board shall submit to the Assistant Deputy Comptroller a copy of the evaluation as well as a detailed description of the corrective actions the Board will require management to take to address any identified shortcomings as documented in the Board's meeting minutes.

ARTICLE IV

SUCCESSION PLANNING

(1) Within ninety (90) days, the Board shall identify a qualified, independent third party to conduct a bank-wide board and staffing analysis ("Staffing Analysis"). The Analysis at a minimum must:

- (a) identify all critical positions within the Bank and outline the key roles, responsibilities and qualifications for each position;
- (b) identify and evaluate existing gaps in knowledge and expertise and staffing needs across the Bank; and
- (c) evaluate present and future staffing requirements for management and other critical staff positions that considers any existing gaps in knowledge

and expertise.

(2) Prior to the appointment or employment of any individual or third party, or entering into any contract with any individual or third party to conduct the Staffing Analysis, the Board shall submit the name and qualifications of the proposed individual or third party and the proposed scope and terms of employment to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. Once the Bank has received written determination of no supervisory objection, the Board shall immediately engage the consultant pursuant to the proposed terms of the engagement.

(3) Within ninety (90) days of receiving the results of the Staffing Analysis, the Board and management must develop a formal written plan to address the deficiencies identified by the Staffing Analysis (“Succession Plan”). The Succession Plan shall, at a minimum:

- (a) identify a comprehensive strategy with methodologies and target dates for identifying and hiring a qualified, permanent CEO;
- (b) outline plans to address gaps in knowledge as well as strategies to promote the development and retention of capable management, including, but not limited to:
 - (i) addressing whether the Bank has internal expertise and development capabilities to fill vacancies in critical staff positions or whether the Bank must resort to external recruitment;
 - (ii) outlining the process for preparing any internal successors to assume key positions; and
 - (iii) ensuring both temporary and permanent qualified replacements for critical staff positions in case of immediate or unexpected

vacancies;

- (c) include background information on identified successors that document why each individual is qualified to fill a particular position or to assume responsibility for major duties;
- (d) provide for review and assessment of the Succession Plan to ensure it meets the requirements of Paragraphs (a) through (c) on an annual basis or more frequently if necessary; and
- (e) identify who is accountable for reviewing, assessing, and updating the Succession Plan.

(4) Upon completion, a copy of the formal written Succession Plan developed pursuant to this Article shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Upon receiving the OCC's supervisory no objection to the Succession Plan, the Board shall immediately implement and ensure adherence to its terms.

ARTICLE V

CAPITAL PLANNING AND STRESS TESTING

(1) Within ninety (90) days of the date of this Agreement, the Board shall adopt an effective internal capital planning process to assess the Bank's capital adequacy in relation to its overall risks and to ensure maintenance of appropriate capital levels. Thereafter, management shall implement, and the Board shall verify, no less than annually, adherence to the capital planning process. The capital planning process shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the "Capital and Dividends" booklet of the Comptroller's Handbook. The

Board shall document the initial capital planning process and thereafter review and document the capital planning process at least annually or more frequently, if appropriate, or required by the Assistant Deputy Comptroller in writing.

(2) Within ninety (90) days of the date of this Agreement, the Board shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable, revised written capital plan for the Bank, consistent with the Strategic Plan required by Article III, covering at least a three-year period (“Capital Plan”). Refer to “Capital and Dividends” booklet of the Comptroller’s Handbook.

(3) Except as provided in paragraph (5) of this Article, the Bank’s Capital Plan shall, at a minimum:

- (a) include a comprehensive evaluation of all material risks to capital and the expected impact of strategic choices on future capital adequacy;
- (b) identify and establish capital goals over short and long-term periods and define capital adequacy relative to the Bank’s material risks and strategic direction;
- (c) include specific plans for the achievement and maintenance of adequate capital commensurate with the risk profile of the Bank;
- (d) incorporate the results of the Bank’s stress testing activities into the capital planning process;
- (e) an analysis of short- and long-term sources of capital based on anticipated risks including an assessment of the cost(s) and benefit(s) of each potential source of capital and the amount of time it will take to obtain capital from each source;

- (f) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (g) contingency plans commensurate with the Bank's overall risk and complexity that identify alternative capital sources should the primary source(s) under subparagraph (f) not be available;
- (h) include triggering event(s) that would require management to implement capital plan strategies or conduct further due diligence;
- (i) include detailed quarterly financial projections, which shall be consistent with the Strategic Plan required by Article III;
- (j) systems to monitor the Bank's progress in meeting the Capital Plan's goals and objectives;
- (k) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Agreement that will have an impact on the Bank's capital; and
- (l) include a scheduled review and approval by the Board of the capital plan no less than annually.

(4) The Board must revise the Bank's Capital Monitoring Program stress test and develop revised testing scenarios that are forward looking, flexible to incorporate changes in the organization's on and off-balance sheet activities, include all significant asset and liability concentrations, and are sufficiently customized to the Bank's operations. Stress testing must be conducted at least annually and should include, at a minimum:

- (a) Business Strategy;
- (b) Earnings/Operating environment;

- (c) Portfolio composition; and
- (d) Asset quality.

(5) If the Bank's Capital Plan outlines a sale or merger of the Bank, including a transaction pursuant to 12 U.S.C. § 215a-3, the Capital Plan shall, at a minimum, address the steps and the associated timeline to ensure that within thirty (30) days after the receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Capital Plan, a definitive agreement for the sale or merger is executed.

- (6) The Bank may declare or pay a dividend or make a capital distribution only:
 - (a) when the Bank is in compliance with its Board-approved Capital Plan and would remain in compliance with such Capital Plan immediately following the declaration or payment of any dividend or capital distribution;
 - (b) when the dividend or capital distribution would comply with 12 U.S.C. §§ 56, 60 and 1831o(d)(1) and 12 C.F.R. § 3.11(a)(4); and
 - (c) following the Assistant Deputy Comptroller's prior written determination of no supervisory objection to the dividend or capital distribution.

(7) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Bank's Capital Plan or to any subsequent amendment to the Capital Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Capital Plan. The Board shall review the effectiveness of the Capital Plan at least annually, no later than January 31 each year, and more frequently if necessary or if required by the OCC in writing, and amend the Capital Plan as needed or directed by the OCC. Any

amendment to the Capital Plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(8) At least quarterly, management shall prepare, and the Board shall review, a written evaluation of the Bank's performance against the Capital Plan, which shall include a description of the actions the Board and management will take to address any deficiencies. Management's written evaluation shall include a review financial reports and earnings analyses that evaluate the Bank's performance against the goals and objectives established in the Capital Plan, as well as the management's written explanation of significant differences between the actual and projected balance sheet, income statement, and expense accounts, including a description of any extraordinary and/or nonrecurring items. The Board's quarterly reviews of quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall forward a copy of these reviews and written evaluations and Board meeting minutes to the Assistant Deputy Comptroller within fifteen (15) days of completion of its quarterly written evaluations, respectively.

ARTICLE VI

BSA OFFICER AND STAFF

(1) Within ninety (90) days of this Agreement, the Board shall engage a qualified independent third-party consultant to complete a staffing assessment of the Bank's BSA Department ("Assessment"). The scope of the Assessment shall at a minimum include the following:

- (a) an evaluation of the BSA Officer's knowledge, skills, and capabilities relative to the Bank's BSA risk profile, the weaknesses identified in the Report of Examination conducted as of September 30, 2020 ("ROE"), and

responsibilities;

- (b) the scope of the BSA Officer's responsibilities;
- (c) an evaluation of the skills and expertise of BSA Department staff, including relevant knowledge of their ability to monitor and manage high-risk cash intensive customers; and
- (d) an evaluation of the adequacy of staffing of the Bank's BSA Department.

(2) Prior to the appointment or employment of any individual as consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Once the Bank has received written determination of no supervisory objection, the Board shall immediately engage the consultant pursuant to the proposed terms of the engagement.

(3) Within ninety (90) days of receiving the results of the Assessment, the Board and management must:

- (a) determine the appropriate number of staff necessary to support the BSA Officer and the Bank's BSA/AML compliance program;
- (b) determine whether any changes to positions are necessary; and
- (c) ensure adequate training and oversight is provided to the BSA Officer and staff relative to any gaps in experience, skillset, or competency identified during the Assessment.

(4) Within one hundred twenty (120) days of this Agreement, the Board shall ensure that the Bank's BSA Department maintains sufficient personnel with requisite expertise, training, skills, and authority. Specifically, the Board shall ensure that the Bank has a permanent,

qualified, and experienced BSA Officer who shall be vested with sufficient executive authority, time, and resources to fulfill the duties and responsibilities of the position and ensure the safe and sound operation of the Bank. The Board shall ensure that the responsibilities of the BSA Officer shall be limited to overseeing and administering the development and implementation of an effective compliance program under the BSA.

(5) In the event that the BSA Officer position is vacated, the Board shall, within sixty (60) days of such vacancy, appoint a capable person to the vacant position who shall be vested with sufficient authority, time, staff and resources to ensure the Bank's compliance with this Agreement and the safe and sound operation of functions within the scope of that position's responsibility.

(6) Prior to the permanent appointment of a BSA Officer under Paragraph (5) of this Article, the Board shall submit the name, resume and such other information as the Assistant Deputy Comptroller may request, of a qualified individual or individuals to be responsible for coordinating and monitoring day-to-day compliance with the BSA for review and non-objection by the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new BSA Officer. The requirement to submit information and the prior disapproval provisions of Paragraph (5) are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete her review and act on any such information within ninety (90) days. The lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed BSA Officer.

(7) Upon receipt of a prior written determination of no supervisory objection from the Assistant Deputy Comptroller under Paragraph (6) of this Article, the Board shall thereafter ensure that the BSA Officer has sufficient training, authority, time, and skill to ensure

compliance with the requirements of the BSA , as amended (31 U.S.C. 5311 et seq.), the regulations promulgated thereunder at 31 CFR Part 1020, as amended, 12 CFR Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”).

ARTICLE VII

BSA/AML RISK ASSESSMENT

(1) Within sixty (60) days of this Agreement, the Board shall ensure that Bank management reviews, updates, and implements an enhanced written institution-wide BSA/AML risk assessment process that timely and accurately identifies the BSA risks posed to the Bank after consideration of all pertinent information (“Risk Assessment”). The Risk Assessment process shall reflect a comprehensive analysis of the Bank’s vulnerabilities to money laundering and financial crimes activity and provide strategies to control risk and limit any identified vulnerabilities. The Risk Assessment methodology shall include:

- (a) the identification of all activities and other elements that pose BSA/AML risk to the Bank, including but not limited to, the volumes and types of the Bank’s:
 - (i) transactions, products and services by country or geographic location; and
 - (ii) customers and entities that typically pose higher BSA/AML risk, both by type of risk and geographic location;
- (b) methods that the Bank uses to interact with this customers such as face-to-face contact or through electronic means;
- (c) an evaluation of all relevant information;
- (d) a detailed analysis of all relevant information pertinent to the Bank’s

specific risk categories obtained through the Bank's Customer Identification Program ("CIP") and CDD/EDD procedures. The analysis should consider, as appropriate, the following factors:

- (i) purpose of the account;
 - (ii) actual or anticipated activity in the account;
 - (iii) nature of the customer's business or occupation;
 - (iv) geographic location; and
 - (v) the types of products and services used by the customer;
- (e) an assessment of BSA/AML risk both individually within the Bank's business lines and on a consolidated basis across all Bank activities and product lines; and
- (f) a provision requiring maintenance of appropriate documentation, including CDD/EDD information, to support the Risk Assessment conclusions.

(2) The Board shall ensure the Risk Assessment is updated annually, at a minimum, to identify and respond to changes in the Bank's risk profile (e.g., new products or services, changes to existing products or services, higher-risk customer activities, etc.).

(3) The Board shall require annual independent testing to confirm the reasonableness of the Risk Assessment conclusions. The Board shall review the results of the testing for appropriateness and whether changes are needed to the Risk Assessment or the Bank's BSA compliance program and document its review in writing.

ARTICLE VIII

CUSTOMER DUE DILIGENCE AND ENHANCED DUE DILIGENCE

(1) Within ninety (90) days of the date of this Agreement, the Bank shall revise and thereafter ensure Bank adherence to appropriate policies and procedures for collecting customer due diligence ("CDD") and enhanced due diligence ("EDD") information when opening new accounts, when renewing or modifying existing accounts for customers, and when the Bank obtains event-driven information indicating that it would be prudent to obtain updated information. The CDD and EDD program must be adequate to ensure that the Bank understands the nature of its customer relationships and develops an accurate customer risk profile, and shall ensure the Bank operates in accordance with applicable law. At a minimum, the CDD and EDD program must include:

- (a) baseline documentation requirements and processes to be used for CDD at account opening, including ACH specific customer and originator due diligence policies, processes, and procedures;
- (b) an appropriate methodology for assigning accurate risk levels to the Bank's customer base that assesses relevant factors including type of customer and entities served, type of products or services offered, and geographic location, occupation and expected activity of the customer;
- (c) CDD procedures that address triggers, including changes to a customer's risk profile, that require the Bank to analyze whether there are resulting substantial changes in money laundering risk factors that would necessitate changes to the customer's risk rating;
- (d) requirements to document the analysis regarding the decision to change, or

not to change, a customer's risk rating;

- (e) appropriate due diligence procedures to monitor transactional activity for moderate risk-rated customers;
- (f) potential risks relating to money service businesses ("MSBs") and processes to address unregistered MSBs;
- (g) specification of the EDD information that Bank personnel must obtain for higher-risk accounts, which among other information should include:
 - (i) purpose of the account;
 - (ii) source of funds and wealth;
 - (iii) individuals with ownership or control over the account, such as beneficial owners, signatories, or guarantors;
 - (iv) occupation or type of business (of customer or other individuals with ownership or control over the account);
 - (v) circumstances or situations when financial statements should be obtained;
 - (vi) bank references;
 - (vii) domicile (where the business is organized);
 - (viii) proximity of the customer's residence, place of employment, or place of business to the Bank;
 - (ix) description of the customer's primary trade area and whether international transactions are expected to be routine;
 - (x) description of the business operations, the anticipated volume of currency and total sales, and a list of major customers and

suppliers; and

(xi) explanations for changes in account activity.

(h) procedures to ensure:

(i) the Bank documents money laundering and terrorist financing risk factors;

(ii) customers identified as posing a higher level of money laundering or terrorist financing risk receive an appropriate level of scrutiny commensurate with the risk profile of the customer; and

(iii) the activity of customers identified as posing a higher level of money laundering or terrorist financing risk is monitored against documented money laundering and terrorist financing risk factors;

(i) processes to ensure EDD reviews for higher-risk customers are based on the risk profile of the customer and that the timing of reviews is risk based; and

(j) periodic assessments by the BSA Officer or his/her designee of the effectiveness of the Bank's CDD, EDD, and monitoring activities, including timely corrective action to address weaknesses identified in the assessments, in the Bank's audit, or in a report of examination.

(2) The BSA Officer or his/her designee(s) shall monitor accounts for high-risk customers/transactions, and any related accounts, to determine whether activity is consistent with the customer's business and the stated purpose of the account. In the event that monitoring indicates account activity is not in accordance with existing account information, the Bank must update the customer information. The BSA Officer or his/her designee(s) must appropriately

document this analysis and any resulting determinations.

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

(4) The Board shall ensure management updates EDD policies and procedures to reflect new processes and implements job-specific training to BSA personnel. The training should be provided by individuals with knowledge and expertise relating to the subject matter.

(5) The Board shall ensure management develops a risk-based plan to apply the requirements in its updated CDD and EDD policies and procedures to its existing customers in proportion to the risks posed by the customers.

ARTICLE IX

HIGH-RISK CASH INTENSIVE CUSTOMER MONITORING

(1) Within ninety (90) days of this Agreement, the Board shall ensure appropriate policies and procedures relating to EDD reviews are developed and implemented with respect to high-risk cash intensive businesses. Specifically, the Board must ensure the BSA Officer or his/her designee(s) improves the content of quarterly EDD reviews. Quarterly EDD reviews must:

- (a) include and discuss ownership information;
- (b) include a separate transaction analysis for each account owner when there are multiple related businesses within the customer relationship;
- (c) analyze all transaction types and include a discussion of the source and use of funds;

- (d) sufficiently document and explain variances in activity;
- (e) include analysis of financial statement(s) or other monitoring results, including revenue reporting; and
- (f) include completion of accurate site visit forms and require the retention of supporting documentation.

(2) The Board and management must ensure all annual reviews that remain outstanding since 2018 are completed by December 31, 2021 and that all annual reviews going forward are completed on time and no later than ninety (90) days from receiving updated information.

(3) The Board must ensure staff receive training on alert narrative standards and that the training is documented.

(4) Management must ensure that alert narratives include detailed, case-specific information to support why the activity is not suspicious.

ARTICLE X

BSA/AML INDEPENDENT TESTING

(1) Within one hundred eighty days (180) days of the date of this Agreement, the Board shall enhance, implement, and thereafter ensure Bank adherence to an independent, internal audit program designed to ensure compliance with the BSA in all areas of the Bank, including scope, testing, and documentation sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures;

- (d) perform an appropriate level of testing to support the audit findings;
- (e) ensure adequate audit coverage in all areas; and
- (f) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) The Board shall ensure appropriate oversight of the BSA audit function, with particular emphasis on ensuring the outsourced, independent firm possesses the requisite expertise to effectively audit the Bank's BSA program and that the scope of the audit is sufficient.

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

(4) All audit reports shall be in writing, include root causes for deficiencies, and be supported by adequate workpapers, which must be provided to the Bank. 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.

(5) The Board, or a designated committee of the Board, shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(6) The audit staff shall have access to any records necessary for the proper conduct of its activities. National bank examiners shall have access to all reports and work papers of the audit staff and any other parties working on its behalf.

ARTICLE XI

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;
- (b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XII

OTHER PROVISIONS

(1) As a result of this Agreement, pursuant to 12 C.F.R. 5.51(c)(7)(ii), the Bank is in “troubled condition,” and is not an “eligible bank” for purposes of 12 C.F.R. § 5.3(g) and 12 C.F.R. § 24.2(e), unless otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3(g)(5), 5.51(c)(7)(ii), and 24.2(e)(4).

ARTICLE XIII

CLOSING

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC’s exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller’s duly authorized representative. Except as otherwise expressly provided herein, all

references to “days” in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller’s duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the Assistant Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement, and shall be accompanied by relevant supporting documentation. The OCC’s decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank’s deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be sent electronically to the following:

Nichole Dean
Assistant Deputy Comptroller
Nichole.Dean@occ.treas.gov

with a copy to:

Cole Peterson
Examiner-in-Charge
Cole.Peterson@occ.treas.gov

(8) The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set her signature on behalf of the Comptroller.

//s// Digitally Signed, Dated: 2021.03.29

Nichole Dean
Assistant Deputy Comptroller
Los Angeles Field Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of West Valley National Bank have hereunto set their signatures on behalf of the Bank.

/s/
Christopher Asterino

3/25/21
Date

/s/
Steven Bales

3/25/21
Date

/s/
Mark Lonquist

032521
Date

/s/
Steve Menzies

3-29-2021
Date

/s/
Adam Remis

3/24/2021
Date