#2023-032

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

In the Matter of:	)	
	)	
Vast Bank, National Association	)	AA-SO-2023-44
Tulsa, Oklahoma	)	
	)	

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency ("OCC") has supervisory authority over Vast Bank, National Association, Tulsa, Oklahoma ("Bank");

WHEREAS, the OCC intends to initiate cease and desist proceedings against the Bank pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for engaging in unsafe or unsound practice(s), including those relating to capital; capital and strategic planning; project management; books and records; liquidity risk management; interest rate risk management; information technology ("IT") controls; risk management for new products; and custody account controls;

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, by and through its duly elected and acting Board of Directors ("Board"), consents to the issuance of this Consent Order ("Order"), by the OCC through the duly authorized representative of the Comptroller of the Currency ("Comptroller"); and

NOW, THEREFORE, pursuant to the authority vested in the OCC by Section 8(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the OCC hereby orders that:

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) and is therefore authorized to initiate and maintain this cease and desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

ARTICLE II

COMPTROLLER'S FINDINGS

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

(1) The Bank has engaged in unsafe or unsound practices, including those related to capital; capital and strategic planning; liquidity risk management; project management; books and records; interest rate risk management; IT controls; risk management for new products; and its custody account controls.

ARTICLE III

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) 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 Director of the OCC's Special Supervision Division ("Director") the names of the members of the Compliance Committee within ten (10) days of the effective date of

this Order. In the event of a change of the membership, the Board shall submit in writing to the Director 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 Order. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within ten (10) 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 Order;

(b) the specific corrective actions undertaken to comply with each Article of this Order; 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 Director within ten (10) days of the Board meeting following the Board's receipt of such report.

ARTICLE IV

HIGHER CAPITAL MINIMUMS

(1) The Bank shall achieve and maintain within 60 (sixty) days the following capital ratios as defined in and as calculated in accordance with 12 C.F.R. Part 3[1]:

(a) a total capital ratio at least equal to thirteen percent (13%); and

(b) a leverage ratio at least equal to ten percent (10%).

[1] For purposes of the capital conservation buffer set forth at 12 C.F.R. § 3.11, the Bank's minimum total capital ratio, minimum tier 1 capital ratio, and minimum common equity tier 1 capital ratio requirements are deemed to be those that are set forth in 12 C.F.R. § 3.10.

(2) Notwithstanding any election to use the community bank leverage ratio ("CBLR") framework under 12 C.F.R. § 3.12, the Bank is subject to the minimum capital levels prescribed in paragraph (1) of this Article pursuant to the OCC's authority to impose affirmative corrective actions pursuant to 12 U.S.C. § 1818(b)(6) and must demonstrate compliance with these requirements by completing Schedule RC-R to the Consolidated Reports of Condition and Income in accordance with the instructions for banks that have not made the CBLR election in addition to Schedule RC-R, CBLR.

(3) The requirement in this Order to meet and maintain a specific capital level for any capital measure means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6, pursuant to 12 C.F.R. § 6.4.[2]

ARTICLE V

CAPITAL AND STRATEGIC PLANNING

(1) Within sixty (60) days of the date of this Order, the Board shall submit to the Director for review and prior written determination of no supervisory objection an acceptable revised written capital and strategic plan for the Bank, covering at least a three-year time period ("Capital and Strategic Plan") to provide management with clear direction, appropriate prioritization, and reasonable timelines for all significant initiatives based on the Board's defined risk tolerance. The Capital and Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, and capital and liquidity adequacy in relation to its overall risks, together with strategies to achieve those objectives. The capital and strategic planning process shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through

[2] The Bank may not solicit, accept, renew, or roll over any brokered deposit (as defined in 12 C.F.R. § 337.6(a)(2)) except in compliance with the applicable restrictions of 12 U.S.C. § 1831f and 12 C.F.R. § 337.6.

adequate governance. Refer to the "Capital and Dividends" booklet of the Comptroller's Handbook.

(2) The Bank's Capital and Strategic Plan shall be commensurate with the Bank's size, complexity, scope of activities, and risk profile 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 Board-approved risk tolerance;

(c) a risk management structure that supports the risk level of each strategic initiative and the Board-approved risk tolerance;

(d) an assessment of the Bank's strengths, weaknesses, opportunities, and threats that impact its strategic goals and objectives;

(e) 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;

(f) a realistic and comprehensive budget that corresponds to the Capital and Strategic Plan's goals and objectives, and that takes into consideration the project plans for major initiatives;

(g) a process for detailed quarterly financial forecasts that include projections for major balance sheet and income statement accounts, desired financial ratios over the period covered by the Capital and Strategic Plan, and stratification of expenses by strategic initiative;

(h) 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, which shall, at a minimum:

(i) include specific plans for the maintenance of adequate capital that in no event be less than the requirements of Article IV;

(ii) identify and evaluate all material risks;

(iii) determine the Bank's capital needs in relation to material risks and strategic direction;

(iv) identify and establish a strategy to maintain capital and strengthen capital if necessary and establish a contingency or back-up capital plan commensurate with the Bank's overall risk and complexity; and

(v) 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.

(i) a detailed description and assessment of major capital expenditures required to achieve the goals and objectives of the Capital and Strategic Plan;

(j) 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;

(k) adequate management information systems and Board reporting to monitor progress in meeting each strategic initiative, including status reports, unexpected changes and issues, and future expectations with timelines; and

(l) a description of systems and metrics designed to monitor the Bank's progress in meeting the Capital and Strategic Plan's goals and objectives.

(3) If the Capital and 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 Capital and Strategic Plan shall, at a minimum, address the steps that shall be taken and the associated timeline to ensure that within sixty (60) days after the receipt of the Director's written determination of no supervisory objection to the Capital and Strategic Plan, a definitive agreement for the sale or merger is executed.

(4) 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 and Strategic Plan and would remain in compliance with such Capital and Strategic 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 Director's prior written determination of no supervisory objection to the dividend or capital distribution.

(5) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the revised Capital and Strategic Plan or to any subsequent amendment to the Capital and 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 Capital and Strategic Plan and any amendments thereto. The Board shall review the

effectiveness of the Capital and Strategic Plan at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Capital and Strategic Plan as needed or directed by the OCC. Any amendment that constitutes a significant deviation to the Capital and Strategic Plan must be submitted to the Director for review and prior written determination of no supervisory objection.

(6) At least monthly, the Board shall review financial reports, earnings analyses, and appropriate documentation that evaluate the Bank's performance against the goals and objectives established in the Capital and Strategic Plan, as well as the Bank'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 nonrecurring items. This review shall include a description of the actions the Board and management will take to address any deficiencies. The Board's monthly reviews shall be documented in the Board meeting minutes. The Board shall forward a copy of these monthly reviews and Board meeting minutes to the Director within ten (10) days of month-end (or, the applicable Board meeting in which the review occurred), as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

(7) If the Bank fails to submit an acceptable Capital Plan as required by paragraph (5) of this Article, fails to implement or adhere to a Capital Plan to which the Director has taken no supervisory objection pursuant to paragraph (5) of this Article, or fails to achieve the minimum capital ratios as required by paragraph (1) of this Article, then in the sole discretion of the Director, the Bank shall, upon written direction of the Director, within ten (10) days develop and submit to the Director for review and prior written determination of no supervisory objection, a Disposition Plan that shall detail the Board's proposal to sell or merge the Bank, including a transaction

pursuant to 12 U.S.C. § 215a-3, or implement a voluntary liquidation plan in accordance with 12 U.S.C § 181 *et seq*. and 12 C.F.R § 5.48.

(8) Until the Capital and Strategic Plan required under this Article has been submitted by the Bank for the Director's review, has received a written determination of no supervisory objection from the Director, 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 Order without first obtaining the Director's prior written determination of no supervisory objection to such significant deviation.

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

(10) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in this Article shall be submitted in writing to the Director 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.

(11) 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.

(12) At least monthly, a written evaluation of the Bank's performance against the Capital and Strategic Plan shall be prepared by Bank management and submitted to the Board. Within ten (10) 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 ten (10) days of completion of the Board's review, the Board shall submit to the Director a copy of the evaluation as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

ARTICLE VI

PROJECT MANAGEMENT PROGRAM

(1) Within thirty (30) days of the date of this Order, the Board shall submit to the Director for review and prior written determination of no supervisory objection an acceptable written Project Management Program ("Project Management Program") for the Bank. This Project Management Program shall provide for development of and formalization of a comprehensive project management function. The Project Management Program shall, at a minimum, include:

(a) Policies, procedures, and processes that address project initiation, project planning, project execution, project monitoring and controlling, and project closing;

(b) Written project plans that include, at a minimum, scope, tasks, dependencies, milestones, resources, and budget, and address risk and change management. Management must assess each project plan on an ongoing basis and update the plan as appropriate;

(c) Reporting to the Board and senior management; and

(d) Independent project audits.

(2) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the Project Management Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and adhere to the Project Management Program and any amendments or revisions thereto.

(3) The Board shall review the Project Management Program, at least annually, no later than January 31 of each year, and more frequently if necessary or if required by the Director in writing. If the Bank revises the Program Management Program, the Bank shall submit the revised Project Management Program to the Director for 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 Bank management, subject to Board review and ongoing monitoring, shall immediately implement and adhere to the revised Project Management Program and any amendments or revisions thereto.

ARTICLE VII

ACCURATE BOOKS AND RECORDS

(1) Within thirty (30) days of the date of this Order, the Board shall adopt a written Books and Records Program to ensure that the Bank's books and records are maintained in a complete and accurate condition, including requirements that:

(a) the Bank's books and records are maintained in compliance with Generally Accepted Accounting Principles ("GAAP") and are consistent with safe and sound banking practices, including but not limited to ensuring all intangible assets are accounted for in accordance with GAAP and appropriate adjustments are made as required by any written communication from the Director; and

(b) the Bank timely files complete and accurate Consolidated Reports of Condition and Income ("Call Report") in accordance with the Federal Financial Institutions Examination Council's "Instructions for Preparation of Consolidate Reports of Condition and Income," and submits a copy of all adjustments to Call Reports to the Director upon re-filing the Call Report.

(c) the Bank shall ensure that all intangible asset values are fully supported for each Call Report filed.

(d) the Bank maintains appropriate policies and procedures that address, at a minimum:

i. any inaccuracies and deficiencies in the Bank's books and records, including any deficiencies identified in subparagraph (a) above;

ii. the manner in which Bank personnel will be held accountable to ensure compliance with the requirements of this Article; and

iii. the accuracy and completeness of Board minutes, including committee and executive sessions.

(2) Upon adoption of the Books and Records Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Books and Records Program and any amendments thereto. The Board shall review the effectiveness of the Books and Records Program at least annually, and more frequently if necessary or if required by the Director in writing, and amend the Books and Records Program as needed or directed by the Director.

(3) The Bank shall provide OCC personnel with prompt and unrestricted access to the Bank's documents, books and records, as required pursuant to 12 U.S.C. § 481. All Bank agents and representatives shall also provide OCC personnel with prompt and complete access to the documents, books, and records of the Bank.

ARTICLE VIII

LIQUIDITY RISK MANAGEMENT

(1) Within thirty (30) days of the date of this Order, the Board shall submit to the Director for review and prior written determination of no supervisory objection an acceptable written Liquidity Risk Management Program ("Liquidity Program") for the Bank. This Liquidity Program shall provide for the identification, measurement, monitoring, and control of the Bank's liquidity risk exposure, and shall emphasize the importance of cash flow projections, diversified funding sources, a cushion of highly liquid assets, and a formal, well-developed contingency funding plan as primary tools for measuring and managing liquidity risk. Refer to the "Liquidity" booklet of the *Comptroller's Handbook*. In addition to the general requirements set forth above, the Liquidity Program shall, at a minimum:

(a) identify appropriate strategies, policies, procedures, and limits to manage liquidity risk, commensurate with the Bank's complexity and business activities;

(b) assess, on an ongoing basis, the Bank's current and projected funding needs, including the development of cash flow projections under both expected and adverse conditions;

(c) ensure that sufficient funds or access to funds exist to meet those needs under both expected and adverse conditions;

(d) assess the risks related to brokered deposit restrictions, deposit runoff, or rollovers;

(e) detail action plans to identify and obtain sources of liquidity to meet projected shortfalls from existing sources under both expected and adverse conditions;

(f) include a Contingency Funding Plan that incorporates, at a minimum, a quantitative projection and evaluation of expected funding needs and funding capacity based on realistic assessments of the behaviors of funding providers during stress events; a definition of a liquidity crisis for the Bank; an identification of early warning liquidity triggers; and provision for management processes, reporting, and internal as well as external communication throughout the stress event.

(2) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the Liquidity Program, the Board shall adopt and Bank management,

subject to Board review and ongoing monitoring, shall immediately implement and adhere to the Liquidity Program and any amendments or revisions thereto.

(3) The Board shall review and update the Liquidity Program, at least annually, no later than January 31 of each year, and more frequently if necessary or if required by the Director in writing. The Bank shall submit the revised Liquidity Program to the Director for 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 Bank management, subject to Board review and ongoing monitoring, shall immediately implement and adhere to the revised Liquidity Program and any amendments or revisions thereto.

ARTICLE IX

INTEREST RATE RISK MANAGEMENT

(1) Within sixty (60) days of the date of this Order, the Bank shall submit to the Director for review and prior written determination of no supervisory objection an acceptable written Interest Rate Risk Program ("IRR Program"). Refer to the "Interest Rate Risk" booklet of the Comptroller's Handbook, OCC Bulletin 2010-1 ("Interagency Advisory on Interest Rate Risk Management") (Jan. 2010), OCC Bulletin 2012-5 ("Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management") (Jan. 2012), and OCC Bulletin 2011-12 ("Sound Practices for Model Risk Management: Supervisory Guidance on Model Risk Management") (Apr. 2011).

(2) The IRR Program shall include, at a minimum:

(a) the Bank's strategic direction and tolerance for interest rate risk;

(b) establishment of prudent short- and long-term limits on the nature and amount of interest rate risk the Board is willing to accept in relation to earnings and capital;

(c) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;

(d) strategies and procedures to manage and reduce interest rate risk to conform with the established limits set in subparagraph (2)(b) of this Article;

(e) employment of competent personnel to manage and monitor interest rate risk, which may include additional training or addition of knowledgeable staff;

(f) establishment of management reports, including comparison of actual exposures to set limits, providing sufficient information on which to base sound interest rate risk management decisions for both short- and long-term risks;

(g) an immediate evaluation and corrective action (as well as ongoing procedures) to ensure the Bank makes effective use of its interest rate risk model;

(h) adequate and documented support for the reasonableness of assumptions used in the Bank's interest rate risk model;

(i) periodic review and adjustment, as needed, of the assumptions and inputs used in the Bank's interest rate risk model, that includes sensitivity analysis and model stress testing, with appropriate documentation;

(j) independent validation of the Bank's interest rate risk model and process on at least an annual basis;

(k) an annual review of the Bank's adherence to the IRR Program;

(l) procedures to test the Bank's interest rate risk model to compare and reconcile actual performance to simulated results including both earnings at risk and economic value of equity simulations; and

(m) procedures that require the Board to review, document and discuss, on at least a quarterly basis, the model test results developed pursuant to subparagraph (2)(l) of this Article.

(3) Within 10 days following receipt of the Director's written determination of no supervisory objection to the IRR Program or to any subsequent amendment to the IRR Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the IRR Program. The Board shall review the effectiveness of the IRR Program at least annually and more frequently if necessary or if required by the Director in writing, and amend the IRR Program as needed or directed by the Director. Any amendment to the IRR Program must be submitted to the Director for review and prior written determination of no supervisory objection.

ARTICLE X

INFORMATION TECHNOLOGY CONTROLS

(1) Within sixty (60) days of the date of this Order, the Bank shall submit to the Director for review and prior written determination of no supervisory objection a comprehensive, written program to effectively assess and manage the Bank's IT activities ("IT Control Program"). Refer to Federal Financial Institutions Examination Council, IT Handbook, for related safety and soundness principles. Although the Bank may outsource some or all of its IT functions, outsourcing does not change the Board's responsibility to ensure effective IT controls.

(2) The IT Control Program shall be commensurate with the level of risk and complexity of the Bank's IT activities and shall, at a minimum, address the following:

(a) an effective IT risk governance program that establishes the roles, responsibilities, and accountability of the Board and management; refer to the "Management" booklet of the FFIEC IT Examination Handbook;

(b) an IT planning process with the following elements: effective formal project planning processes, long-term goals and the allocation of IT resources to achieve them; alignment of the IT strategic plan with the enterprise-wide business plan; identification and measurement of risk before changes or new investment in technology are made; an IT infrastructure to support current and planned business operations; integration of IT spending into the budgeting process; refer to the "Management" booklet of the FFIEC IT Examination Handbook;

(c) an effective IT risk management process that includes: identification and measurement of risks to information and technology assets, within the Bank or controlled by third-party providers; mitigation of risks to an acceptable residual risk level in conformance with the Board's risk appetite; and monitoring risk levels with results reported to the Board and senior management; refer to the "Management" booklet of the FFIEC IT Examination Handbook;

(d) an effective, written, system architecture program to identify, acquire, install, and maintain appropriate IT systems with project management standards, procedures, and controls commensurate with the characteristics and risks of the Bank's development, acquisition, and maintenance activities; refer to the "Development and Acquisition" booklet of the FFIEC IT Examination Handbook;

(e) a written change management program that addresses controls over the introduction of changes, in a controlled manner, into the IT environment; and formal operational controls, procedures, standards, and processes; refer to the "Information Security" and "Operations" booklets of the FFIEC IT Examination Handbook;

(3) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the IT Control Program or to any subsequent amendment to the IT Control Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter adhere to the IT Control Program. The Board shall review the effectiveness of the IT Control Program at least annually, and more frequently if necessary or if required by the Director in writing, and amend the IT Control Program as needed or as directed by the Director. Any amendment to the IT Control Program must be submitted to the Director for review and prior written determination of no supervisory objection.

ARTICLE XI

RISK MANAGEMENT FOR NEW PRODUCTS

(1) Within thirty (30) days of the date of this Order, the Bank shall submit to the Director for review and prior written determination of no supervisory objection a written plan for adding new, modifying existing, or expanding existing product and service offerings ("Risk Governance Plan") to ensure management designs, implements, and monitors the Bank's risk management system for new activity development and effectively measures, monitors, and

controls risks associated with new activities. Before introducing new activities, management shall establish appropriate policies and procedures that outline the standards, responsibilities, processes, and internal controls for ensuring that risks are well understood and mitigated with reasonable parameters. The Board shall oversee management's implementation of the risk management system, including execution of control programs and appropriate audit over new activities. Refer to the "Corporate and Risk Governance" booklet of the Comptroller's Handbook and OCC Bulletin 2017-43, "New, Modified, or Expanded Bank Products and Services: Risk Management Principles. The Plan shall be commensurate with the Bank's size, complexity, scope of activities, and risk profile and shall, at a minimum, include:

(a) adequate due diligence and approvals that reflect the Bank's size, complexity, and risk profile before introducing any new, modified, or expanded activity;

(b) policies and procedures that reflect the Bank's size, complexity, and risk profile to properly identify, measure, monitor, report, and control risks;

(c) effective change management that reflects the Bank's size, complexity, and risk profile for new activities or affected processes and technologies; and

(d) policies and procedures that effectively assess and manage the risks posed by third-party relationships, identify the inherent risks of the activities performed by the third-party providers, and detail how the Bank selects, assesses, and oversees third-party providers, including but not limited to:

(i) proper due diligence in selecting third-party providers;

(ii) written contracts that outline the rights and responsibilities of all parties;

(iii) ongoing monitoring of third-party activities and performance;

(iv) contingency plans for terminating third-party relationships in an effective manner;

(v) clear roles and responsibilities for overseeing and managing third-party relationships and risk management;

(vi) documentation and reporting that facilitates Board and management oversight, accountability, monitoring, and risk management associated with third-party relationships; and

(vii) independent reviews that allow Bank management to assess whether the Bank's risk management process aligns with its strategy and effectively manages risks associated with third-party relationships.

(2) The Bank may not initiate, add a new product or service, or modify or expand an existing product or service in a way that is not consistent with the Board-approved Capital and Strategic Plans.

(3) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the New Products Plan or any subsequent amendment to the New Products Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the New Products Plan. The Board shall review the effectiveness of the New Products Plan at least annually, and more frequently if necessary or if required by the Director in writing, and amend the New Products Plan as needed or directed by the Director. Any amendment to the New Products Plan must be

submitted to the Director for review and prior written determination of no supervisory objection.

ARTICLE XII

CUSTODY CONTROLS

(1) Within sixty (60) days of the date of this Order, the Bank shall submit to the Director for review and prior written determination of no supervisory objection a written, custodial control plan for the Bank ("Custodial Control Plan") to provide management with clear direction to safeguard assets under custody, produce reliable financial reports, and comply with applicable laws and regulations. Refer to the "Asset Management Operations and Controls" and "Internal Controls" booklets of the Comptroller's Handbook. The Custodial Control Plan shall be commensurate with the Bank's size, complexity, scope of activities, and risk profile and shall, at a minimum, include:

(a) identification of the systems to identify, measure, monitor, and control risks in the custody services area, including policies, procedures, internal controls, and management information systems governing custody services;

(b) an assessment of the strengths, weaknesses, opportunities, threats, and material risks that impact custody services;

(c) a framework of and implementation and testing of policies, procedures, and workflows that establish effective internal control in all phases of custodial operations;

(d) steps to ensure safekeeping of all assets under management in such a manner as to preclude comingling of customer assets with the assets of the bank or its agents, sub-custodians, or third-party vendors;

(e) consistency with the Capital and Strategic Plan;

(f) contracts with third-party vendors to support the Bank's policies, procedures, and work;

(g) title of accounts as agency accounts for the benefit of Bank customers; and

(h) engagement of a qualified external audit firm to perform an audit over custody controls.

(2) Within ten (10) days following receipt of the Director's written determination of no supervisory objection to the Custodial Control Plan or any subsequent amendment to the Custodial Control Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Custodial Control Plan. The Board shall review the effectiveness of the Custodial Control Plan at least annually, and more frequently if necessary or if required by the Director in writing, and amend the Custodial Control Plan as needed or directed by the Director. Any amendment to the Custodial Control Plan must be submitted to the Director for review and prior written determination of no supervisory objection.

ARTICLE XIII

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Order 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 Order.

(2) In each instance in which this Order 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 Order;

(b) ensure the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Order;

(c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Order;

(d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Order;

(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 Order; and

(f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XIV

WAIVERS

(1) The Bank, by executing and consenting to this Order, waives:

(a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;

(b) any and all procedural rights available in connection with the issuance of this Order;

(c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;

(d) any and all rights to seek any type of administrative or judicial review of this Order;

(e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this 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 these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings 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 this Order.

ARTICLE XV

OTHER PROVISIONS

(1) As a result of this Order, 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 or 12 C.F.R. § 24.2(e), unless otherwise informed in writing by the OCC.

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

ARTICLE XVI

CLOSING

(1) This Order is a settlement of the cease-and-desist proceedings against the Bank contemplated by the OCC, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article II of this Order. The OCC 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 OCC based on the practices and/or violations described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. The OCC expressly reserves its right to assess civil money penalties or take other enforcement actions if the OCC determines that the Bank has continued, or failed to correct, the practices described in Article II of this Order or that the Bank otherwise is violating or has violated this Order.

(2) Nothing in this Order, however, shall prevent the OCC from:

(a) instituting enforcement actions other than a cease-and-desist order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;

(b) instituting enforcement actions against the Bank based on any other findings, including if the OCC determines that the Bank has continued, or failed to correct, the practices described in Article II of this Order or that the Bank otherwise is violating or has violated this Order;

(c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or

(d) utilizing the Comptroller's Findings set forth in Article II 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.

(3) Nothing in this Order is 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.

(4) This Order is:

(a) a "cease-and-desist order issued upon consent" within the meaning of 12 U.S.C. § 1818(b);

(b) a "cease-and-desist order which has become final" within the meaning of 12 U.S.C. § 1818(e);

(c) an "order issued with the consent of the depository institution" within the meaning of 12 U.S.C. § 1818(h)(2);

(d) an "effective and outstanding . . . order" within the meaning of 12 U.S.C. § 1818(i)(1); and

(e) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(5) This Order 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 Order shall mean calendar days and the computation of any period of time imposed by this Order shall not include the date of the act or event that commences the period of time.

(6) The provisions of this Order shall remain effective 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 Order, the Board or a Board-designee shall submit a written request to the Director asking for the desired relief. Any

request submitted pursuant to this paragraph shall include a statement setting forth in detail the circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Order, 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.

(7) The Bank will not be deemed to be in compliance with this Order until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Order; 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 for the Bank to demonstrate the sustained effectiveness of the corrective actions.

(8) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

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

(10) 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 consent to the issuance of this Order.

(11) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded, by overnight mail or via email, to the following:

Julie Thieman, Director of Special Supervision

(12) 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.

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

//s//	10/23/2023
Scott Williams Assistant Deputy Comptroller Tulsa Office	Date

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

/s/	10-23-23
Thomas Biolchini	Date
/s/	10/23/23
Tobin Biolchini	Date
/s/ HOVELL yft	10/23/23
Yvonne Howell	Date
/s/	10-23-23
John Marino	Date
/s/	10-23-2023
Mark Wilmoth	Date
/s/	10/23/23
R. Carl Hudgins	

/s/	10/23/23
Elliot Nelson	Date
/s/	10/23/23
Jeff Pickryl	Date
/s/	10/23/23
Mark Wilmoth	Date