

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

<b>In the Matter of:</b>	)	
	)	
Summit National Bank	)	AA-ENF-2024-31
Hulett, Wyoming	)	
	)	

**CONSENT ORDER**

**WHEREAS**, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over Summit National Bank, Hulett, Wyoming (“Bank”);

**WHEREAS**, the OCC intends to initiate a cease and desist proceeding against the Bank pursuant to 12 U.S.C. § 1818(b) and (s), through the issuance of a Notice of Charges, for unsafe or unsound practices and deficiencies in the Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) compliance program which resulted in violations of law, rule, or regulation, including a 12 C.F.R. § 21.21 BSA/AML program violation.

**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 failed to establish and maintain a reasonably designed BSA/AML program that adequately covers the required BSA/AML Program components. Deficiencies include: (i) weak internal controls, (ii) weak independent testing program framework, (iii) insufficient BSA staffing, and (iv) a weak training program. These deficiencies resulted in a BSA/AML program violation under 12 C.F.R. § 21.21 and additional violations of regulations, including 31 C.F.R. § 1020.210(a)(2)(v).

(2) The Bank engaged in a number of unsafe and unsound practices, including those related to BSA/AML, capital and strategic planning, liquidity risk management, transactions with affiliates, accounting, and violations of laws, including 31 C.F.R. § 1020.210(a)(2)(v), 31 C.F.R. § 1010.610, 31 C.F.R. § 1010.410(f), 12 C.F.R. § 223.14(a), and 12 C.F.R. § 223.51.

## **ARTICLE III**

### **COMPLIANCE COMMITTEE**

(1) Within fifteen (15) days of the effective 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" or "Director for Special Supervision") the names of the members of the Compliance Committee within fifteen (15) 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 and ensure that all actions taken to comply are effective and sustainable. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within forty-five (45) days of the effective date of this Order, and thereafter 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 for Special Supervision within ten (10) days of the Board meeting following the Board's receipt of such report.

#### **ARTICLE IV**

##### **STRATEGIC AND CAPITAL PLAN**

(1) Within one hundred and twenty (120) days of the effective date of this Order, the Board shall submit to the Director for review and prior written determination of no supervisory objection ("NSO") an acceptable strategic and capital plan, covering at least a three-year period (Strategic and Capital Plan) to assess and establish objectives for the Bank's overall risk profile, capital adequacy in relation to overall risks, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, and liquidity adequacy, together with strategies to achieve those objectives. The Strategic and Capital Plan shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the "Corporate and Risk Governance" and "Capital and Dividends" booklets of the Comptroller's Handbook. The Board shall document the initial Strategic and Capital Plan and thereafter review and document the Strategic and Capital Plan at least annually or more frequently, if appropriate, or required by the Director in writing.

(2) The Bank's Strategic and Capital Plan shall, at a minimum, include:

- (a) the strategic goals and objectives to be accomplished, including key financial indicators, risk tolerances and realistic strategies to improve the Bank's condition;

- (b) a risk profile that evaluates credit, interest rate, liquidity, price, operational, compliance, strategic, and reputation risks in relationship to capital;
- (c) an assessment of the Bank's strengths, weaknesses, opportunities and threats;
- (d) an evaluation of the Bank's internal operations, staffing requirements, including succession planning, board and management information systems, policies, and procedures;
- (e) a realistic and comprehensive budget and financial forecast that corresponds to the Strategic and Capital Plan's goals and objectives;
- (f) a description of the Bank's target market(s) and competitive factors in its identified target market(s);
- (g) 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; and
- (h) assigned roles, responsibilities, and accountability for the strategic and capital planning process.
- (i) 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 the requirements of Article V;
- (j) an identification and prioritization of initiatives and opportunities, including timeframes that comply with the requirements of this Order;

- (k) concentration limits commensurate with the Bank's strategic goals and objectives and risk profile; and
  - (l) a description of systems and metrics designed to monitor the Bank's progress in meeting the Strategic and Capital Plan's goals and objectives;
- (3) If the Bank's Strategic and Capital Plan outlines a sale or merger of the Bank, including a transaction pursuant to 12 U.S.C. § 215a-3, the Strategic and Capital Plan shall, at a minimum, address the steps and the associated timeline to ensure that within sixty (60) days after the receipt of the Director's written determination of NSO to the Strategic and Capital 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 and remains in compliance with its Board-approved Strategic and 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 Director's prior written determination of NSO to the dividend or capital distribution.
- (5) Within thirty (30) days following the Board's receipt of the Director's written determination of NSO to the Bank's Strategic and Capital Plan or to any update or subsequent amendment to the Strategic and 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 Strategic and Capital Plan. The Board shall review the effectiveness of the Strategic and 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 Strategic and Capital Plan as needed or directed by the OCC.

(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 Strategic and Capital 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 document 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 after month-end.

(7) If the Bank fails to maintain or achieve the capital ratios required by Article V, fails to submit a Strategic and Capital Plan as required by this Article, or fails to implement a Strategic and Capital Plan to which the Director has provided a written determination of NSO, then the Bank may, in the Director's sole discretion, be deemed undercapitalized for purposes of this Order. Following written notification from the Director that the Bank is deemed undercapitalized for purpose of this Order, the Bank shall take such corrective measures as the OCC may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C. § 1831o(e)(5) shall include restoration of the Bank's capital to the minimum ratios required by Article V and any other action deemed necessary by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

(8) Until the Strategic and Capital Plan required under this Article has been submitted by the Bank for the Director's review, has received a written determination of NSO 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 NSO to such significant deviation.

(9) The Bank may not initiate any action that significantly deviates from the Strategic and Capital Plan that has received written determination of NSO from the Director and has been adopted by the Board, without a prior written determination of NSO from the Director.

(10) Any request by the Bank for prior written determination of NSO to a significant deviation described in this Article shall be submitted in writing to the Director at least sixty (60) 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.

## **ARTICLE V**

### **HIGHER CAPITAL MINIMUMS**

(1) Within sixty (60) days of the effective date of this Order, the Bank shall meet and thereafter maintain the following minimum capital ratios as defined in 12 C.F.R. § 3.10(b) and as calculated in accordance with 12 C.F.R. Part 3<sup>1</sup>:

- (a) a total capital ratio at least equal to thirteen percent (13%); and
- (b) a leverage ratio at least equal to ten percent (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). If the Bank elects to use the CBLR framework, it must demonstrate compliance with the minimum capital levels prescribed in paragraph (1) of this Article 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 framework election in addition to Schedule RC-R, CBLR.

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<sup>1</sup> 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.

(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.<sup>2</sup>

## **ARTICLE VI**

### **TRANSACTIONS WITH AFFILIATES**

(1) Effective immediately, the Bank may only, directly or indirectly, pay money or its equivalent to or for the benefit of, or extend credit in any form to or for the benefit of, its affiliates, or transfer assets between the Bank and its affiliates, or enter into or engage in any transaction that obligates the Bank to do the same after:

- (a) the Board has established a policy regarding transactions with affiliates, including the requirement that services provided by the Bank to an affiliate be subject to ongoing monitoring and reimbursed at market terms; the method by which the Board shall, at least, annually, compare rates and fees charged by affiliates of the Bank with those charged by others and deliberate, without interested members of the Board or management, upon the rates and fees charged by others; and
- (b) the Board has determined in writing that it is advantageous for the Bank to engage in such action, and that the action complies with all applicable laws, rules, and regulations, including, but not limited to 12 C.F.R. Part 223.

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<sup>2</sup> 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.

(2) For purposes of this Article, “affiliate” shall have the meaning set forth in 12 U.S.C. § 371c(b)(1) and 12 C.F.R. § 223.2 as modified by 12 C.F.R. § 223.72.

## **ARTICLE VII**

### **ACCURATE BOOKS AND RECORDS**

(1) Effective immediately, Bank management, subject to Board review and ongoing monitoring, shall ensure adherence to a written program that includes appropriate policies and procedures, to ensure:

- (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 making adjustments as required by any written communication from the OCC; and
- (b) the Bank timely files completed and accurate Consolidated Reports of Condition and Income (“Call Reports”) in accordance with the Federal Financial Institutions Examination Council’s “Instructions for Preparation of Consolidated Reports of Condition and Income,” and submits a copy of all adjustments to Call Reports to the Director upon re-filing.

(2) A copy of all written policies and procedures developed as a result of this Article must be readily accessible for OCC review.

## **ARTICLE VIII**

### **LIQUIDITY RISK MANAGEMENT**

(1) Within ninety (90) days of the effective date of this Order, the Board shall adopt an acceptable written Liquidity Risk Management Program (“Liquidity Program”) for the Bank. The 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, robust liquidity stress testing scenario analyses, and a formal, well-developed contingency funding plan as primary tools for measuring and managing liquidity risk. Refer to the “Interagency Policy Statement on Funding and Liquidity Risk Management,” dated March 22, 2010, (OCC Bulletin 2010-13); the “Addendum to the Interagency Policy Statement on Funding and Liquidity Risk Management: Importance of Contingency Funding Plans,” dated July 28, 2023, and the “Liquidity” booklet of the Comptroller’s Handbook, for additional information.

(2) In addition to the general requirements set forth above, the Bank’s 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:
  - i. 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;
  - ii. a definition of a liquidity crisis for the Bank;
  - iii. an identification of early warning liquidity triggers; and
  - iv. a provision for management processes, reporting, and internal as well as external communication throughout the stress event.

## **ARTICLE IX**

### **BSA PROGRAM AND GOVERNANCE**

(1) Effective immediately, Bank management, subject to Board review and ongoing monitoring, shall ensure adherence to a comprehensive, written program designed to ensure that the Bank complies with the Bank Secrecy Act, as amended (31 U.S.C. § 5311, et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 1020, as amended, and 12 C.F.R. Part 21, Subparts B and C, the rules and regulations of the Office of Foreign Assets Control (“OFAC”) and relevant Executive Orders (collectively referred to as “BSA/OFAC”) for the Bank, and that incorporates the substantive requirements of Articles X and XI of this Order.

(2) Effective immediately, Bank management, subject to Board review and ongoing monitoring, shall ensure adherence to a comprehensive program that ensures the Bank performs

effective due diligence and maintains BSA/OFAC risk management processes prior to entering into, or significantly expanding, any new products, services, significant relationships, or lines of business.

(3) The Board shall review the effectiveness of the programs at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the programs as needed or directed by the OCC. Within five (5) days of the Board's adoption of any amendment to any of the programs required by this Article, the Bank shall provide a copy to the Director.

## **ARTICLE X**

### **OFFICE OF FOREIGN ASSETS CONTROL COMPLIANCE PROGRAM**

(1) Within thirty (30) days of the effective date of this Order, the Bank shall adopt and implement an acceptable written compliance program to ensure that the Bank complies with the rules and regulations of the Office of Foreign Assets Control ("OFAC") and relevant Executive Orders (collectively, the "OFAC Compliance Program"). Within ten (10) days of its adoption, the Bank shall submit the written OFAC Compliance Program to the Director for Special Supervision. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*: "Office of Foreign Assets Control" (Rev. Feb. 2015) for additional information.

(2) The Board shall review the effectiveness of the program at least annually, and more frequently if necessary, or if required by the OCC in writing, and amend the program as needed or directed in writing by the OCC. Any amendment to the program must be submitted to the Director for Special Supervision for review within ten (10) days of its adoption.

## **ARTICLE XI**

### **BSA/AML OFFICER AND STAFFING**

(1) Within thirty (30) days of the effective date of this Order, the Board shall ensure that the Bank maintains, at all times, a qualified BSA Officer vested with sufficient independence, authority, and resources to fulfill the duties and responsibilities of the position and ensure compliance with the requirements of the Bank Secrecy Act and its implementing regulations. The BSA Officer shall provide timely and accurate periodic reporting to the Board and senior management about the status of the Bank's BSA/AML program, including compliance with the BSA and this Order.

(2) If the BSA Officer position is vacated, the Board shall promptly appoint a new BSA Officer. Prior to appointing a new BSA Officer, the Board shall submit to the Director of Special Supervision the name, resume, and other such information as the Director of Special Supervision may request, for a prior written determination of NSO to appoint the individual as the BSA Officer.

(3) A prior written determination of NSO to the proposed individual shall not constitute an approval or endorsement of the proposed individual. In addition, the requirement to submit information and the prior written NSO provisions of this paragraph are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Director for Special Supervision to complete the review and act on any such information within ninety (90) days.

(4) The Board shall ensure that the Bank has sufficient staff with appropriate skills and expertise needed to support the BSA Officer and implement the Bank's BSA/AML program in a timely manner and that such staff is vested with sufficient authority to fulfill their respective duties and responsibilities.

(5) Within sixty (60) days of the effective date of this Order and no less than annually thereafter, the Board shall review the adequacy of the Bank’s BSA Officer and supporting staff, their training, and their effectiveness. The Board shall document its determinations in writing.

## **ARTICLE XII**

### **BSA/AML/OFAC RISK ASSESSMENTS**

(1) Within thirty (30) days of the effective date of this Order, the Bank shall develop a written, bank-wide, ongoing BSA/AML Risk Assessment. The BSA/AML Risk Assessment shall reflect a comprehensive analysis of the Bank’s money laundering and terrorist financing and other illicit financial activity risks and provide strategies to control those risks and limit any identified vulnerabilities. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*: “BSA/AML Risk Assessment” (Rev. March 2020) for additional information.

(2) The BSA/AML Risk Assessment shall be re-evaluated and/or refreshed by Bank management periodically, the timeframe for which shall not exceed twelve (12) months, or whenever there is a significant change in BSA/AML risk within the Bank.

(3) The Board shall review and approve the BSA/AML Risk Assessment and any subsequent updates and document its review in the Board minutes.

(4) Within sixty (60) days of the effective date of this Order, and at least annually thereafter, the Board shall ensure that management performs a timely and effective written OFAC Risk Assessment.

(5) The Board shall ensure that management updates the OFAC Risk Assessment annually and to reflect any changes in the Bank’s risk profile such as when the Bank considers introducing new or expanded products, services, or customer types.



(8) The Board shall review and approve the OFAC Risk Assessment and any subsequent updates, document this review in the Board minutes.

### **ARTICLE XIII**

#### **CUSTOMER DUE DILIGENCE, ENHANCED DUE DILIGENCE, AND HIGH- RISK IDENTIFICATION**

(1) Within sixty (60) days of the effective date of this Order, the Bank shall adopt and implement an acceptable written customer due diligence program to ensure appropriate collection and analysis of customer 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 to understand the nature of its customer relationships and generate and maintain an accurate customer risk profile (“CDD Program”). The CDD Program shall also ensure the Bank operates in accordance with applicable law and regulations, including those related to CDD and beneficial ownership, and be consistent with the Bank’s risk assessments of money laundering, terrorist financing and other illicit financial activity risk. Within ten (10) days of its adoption, the Bank shall submit the written CDD program to the Director for Special Supervision.

(2) The Board shall review the effectiveness of the Bank’s CDD Program at least annually. More frequent review is required if necessary, such as prior to the launching of any new product or service, or if required by the OCC in writing. Following the review, the Board must amend the Bank’s CDD Program as needed or directed by the OCC. Any amendment to the Bank’s CDD Program must be submitted to the Director for Special Supervision for review within ten (10) days of its adoption.

## **ARTICLE XIV**

### **SUSPICIOUS ACTIVITY MONITORING, IDENTIFICATION, AND REPORTING**

(1) Within sixty (60) days of the date of this Order, the Bank shall develop and implement an acceptable written suspicious activity monitoring and reporting program to ensure the timely and appropriate identification, review, and disposition unusual activity, and the filing of SARs consistent with 12 C.F.R. § 21.11 (“Suspicious Activity Review Program”). Within ten (10) days of its adoption, the Bank shall submit the written Suspicious Activity Review Program to the Director for Special Supervision. Refer to the FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual: “Suspicious Activity Report – Overview” (Rev. Feb. 2015) for additional information.

(2) The Board shall review the effectiveness of the Bank’s Suspicious Activity Review Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Bank’s Suspicious Activity Review Program as needed or directed by the OCC. Any amendment to the Bank’s Suspicious Activity Review Program must be submitted to the Director for Special Supervision for review within ten (10) days of its adoption.

## **ARTICLE XV**

### **BSA/AML AUDIT AND INDEPENDENT TESTING**

(1) Within thirty (30) days of the date of this Order, the Bank shall implement an acceptable written BSA/AML independent testing program (“BSA/AML Audit Program”) to test the Bank’s compliance with the BSA, relative to its risk profile, and the overall adequacy of the Bank’s BSA/AML compliance program. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*: “BSA/AML Independent Testing” (Rev. March 2020) for additional information.

(2) The BSA/AML Audit Program shall address and determine the overall adequacy of the Bank's BSA/AML compliance program and the Bank's compliance with BSA regulatory requirements. The Audit Program shall address, at a minimum, whether:

- (a) the Bank's money laundering, terrorist financing and other illicit financial activity risk assessment adequately captures its risk profile;
- (b) the policies, procedures, and processes for BSA/AML compliance are appropriate for the Bank's risk profile;
- (c) the Bank adheres to its policies, procedures, and processes for BSA/AML compliance;
- (d) the Bank's policies and procedures are reasonably designed to achieve compliance with the BSA and its implementing regulations;
- (e) the Bank's overall process for identifying and reporting suspicious activity is adequate to comply with regulatory requirements;
- (f) the Bank's information technology sources, systems, and processes used to support the BSA/AML compliance program are adequate;
- (g) BSA/AML training is provided for appropriate personnel, tailored to specific functions and positions, and includes supporting documentation;
- (h) management took appropriate and timely action to address any deficiencies previously noted by audit staff.

(3) Upon the adoption of the BSA/AML Audit Program or any subsequent amendment to the Bank's BSA/AML Audit Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Bank's BSA/AML Audit Program. The Board shall review the

effectiveness of the Bank's BSA/AML Audit Program at least annually and more frequently if necessary or if required by the OCC in writing, and amend the Bank's BSA/AML Audit Program as needed or directed by the OCC.

(4) Management shall require prompt reporting of all deficiencies in BSA/AML processes and controls identified through the BSA/AML Audit Program to the Bank's Board or BSA/AML Audit Committee, and to senior management. The reports shall indicate the severity of the deficiencies, the risks, and the required corrective actions. The Board or BSA/AML Audit Committee shall ensure that management takes prompt action to remedy deficiencies cited in audit reports and the BSA/AML Audit Program reviews and validates corrective action promptly.

**ARTICLE XVI**  
**BSA/AML TRAINING**

(1) Within ninety (90) days of the effective date of this Order, the Board shall create a written BSA/AML training program, that includes a written assessment of the Bank's BSA/AML training to evaluate its operational effectiveness and any changes necessary to ensure an effective BSA/AML training program. Within ten (10) days of its adoption, the Bank shall submit the written BSA/AML training program to the Director for Special Supervision.

(2) The Board shall review the effectiveness of the BSA/AML Training Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the BSA/AML Training Program must be submitted to the Director for Special Supervision for review within ten (10) days of its adoption.

## **ARTICLE XVII**

### **SUSPICIOUS ACTIVITY REVIEW LOOK-BACK**

(1) Within sixty (60) days of the effective date of this Order, the Bank shall engage an independent, third-party consultant (“SAR Look-Back Consultant”) to conduct a review and provide a written report on the Bank’s suspicious activity monitoring, investigation, decisioning, and reporting (“SAR Look-Back”). Refer to “Use and Review of Independent Consultants in Enforcement Actions: Guidance for Bankers,” Nov. 12, 2013 (OCC Bulletin 2013-33), for additional information.

(2) The purpose of the review and a written report on the Bank’s suspicious activity monitoring, investigation, decisioning, and reporting (“SAR Look-Back”) is to determine whether SARs should be filed for any previously unreported suspicious activity, including cases in which the BSA Officer or staff identified suspicious activity but failed to adequately support a decision not to file a SAR, and to review the quality and accuracy of previous SAR filings to determine whether corrections or amendments are necessary to ensure that the suspicious activity identified was accurately reported in accordance with 12 C.F.R. § 21.11 for national banks and to identify any accounts that represent excessive BSA/AML risk.

(3) Within thirty (30) days of completion of the SAR Look-Back, the Look-Back Consultant shall provide the Board with a written report that contains a list of any SARs that the Look-Back Consultant recommends that the Bank should file, existing SARs that the Bank should modify to comply with the requirements of 12 C.F.R. § 21.11, a list of accounts that represent higher BSA/AML risk, and a conclusion about the effectiveness of the Bank’s suspicious activity monitoring. This SAR Look-Back report should also, among other things, describe:

- (a) the methodologies and tools used in conducting the review;
- (b) the process for investigating customers and customer activities;
- (c) the number and types of customers and accounts reviewed;
- (d) the number of customers and accounts requiring additional investigation;
- (e) the number of customers the Look-Back Consultant recommended to the Bank that warranted SAR filings or modifications to existing SAR filings; and
- (f) the number of customers where the Bank determined not to file a SAR.

(4) When providing the written report to the Board, the SAR Look-Back Consultant shall, at the same time, directly provide a copy of the written report of the findings and recommendations from the SAR Look-Back to the Director for Special Supervision. All supporting materials and work papers associated with the SAR Look-Back shall be made available to the OCC upon written request.

(5) Based upon the results of the SAR Look-Back, the OCC, at its sole discretion, may expand the scope of the SAR Look-Back, either in terms of the subjects to be addressed, or the time period(s) to be covered, or both (“Supplemental SAR Look-Back”). The Supplemental SAR Look-Back shall be carried out in a manner consistent with other requirements of this Article.

## **ARTICLE XVIII**

### **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 that 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 address any noncompliance with corrective actions in a timely and appropriate manner.

## **ARTICLE XIX**

### **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 XX**

### **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 and violations of law 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 and/or violations 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 and/or violations 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 for Special Supervision 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 36 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) This Order applies to the Bank and all its subsidiaries.

(11) 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.

(12) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded via BankNet to the Julie Thieman, Director for Special Supervision.

(13) 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 her signature on behalf of the Comptroller.

/s/

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Julie Thieman  
Director for Special Supervision  
Office of the Comptroller of the Currency

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

        /s/          
John Regan  
        /s/          
Desiree Elkin  
        /s/          
Albert Forkner  
        /s/          
John Miller  
        /s/          
John Briner  
        /s/          
Kathleen Marinangel

        6/4/24          
Date  
        6/4/24          
Date  
        6/4/24          
Date  
        6/4/24          
Date  
        6/5/24          
Date  
        6/4/24          
Date