

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made this 6 day of August , 2010, by and through the Board of Directors (Board) of American Express Bank, FSB, Salt Lake City, Utah, OTS Docket No. 15648 (Association), and the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Western Region (Regional Director);

WHEREAS, the OTS, pursuant to 12 U.S.C. § 1818, has the statutory authority to enter into and enforce supervisory agreements to ensure the establishment and maintenance of appropriate safeguards in the operation of the entities it regulates; and

WHEREAS, the Association is subject to examination, regulation, and supervision by the OTS; and

WHEREAS, based on its examination of the Association, the OTS finds that the Association has engaged in unsafe or unsound practices and/or violations of law or regulation; and

WHEREAS, in furtherance of their common goal to ensure that the Association addresses the unsafe or unsound practices and/or violations of law or regulation identified by the OTS in the January 4, 2010 Report of Examination (2010 ROE), the Association and the OTS have mutually agreed to enter into this Agreement; and

WHEREAS, on July 28 , 2010, the Association's Board, at a duly constituted meeting, adopted a resolution (Board Resolution) that authorizes the Association to enter into this Agreement and directs compliance by the Association and its directors, officers, employees, and other institution-affiliated parties with each and every provision of this Agreement.

NOW THEREFORE, in consideration of the above premises, it is agreed as follows:

Compliance Plan.

1. Within forty-five (45) days, the Association shall revise its written compliance program (Compliance Program) to ensure that it: (a) is appropriate for the Association's size, complexity, product lines and business operations; and (b) is designed to ensure the Association's compliance with all applicable consumer and compliance laws, regulations and regulatory guidance (Compliance Laws and Regulations) on an ongoing basis.
2. At a minimum, the Compliance Program shall:
 - (a) require that the Association have and retain a qualified full-time compliance officer, whose sole responsibility shall be to implement and supervise compliance with the Compliance Laws and Regulations by the Association (Compliance Officer);
 - (b) include written job descriptions of the duties and responsibilities of the Compliance Officer and other key consumer compliance staff positions that clearly define authority and accountability and establish a consumer compliance organizational and reporting structure, including any Board-level compliance committees;
 - (c) require that the Association allocate resources to the compliance area that are commensurate with the Association's size, complexity, product lines, and business operations to ensure the implementation of an adequate Compliance Program, including appropriate staffing levels with qualified and experienced personnel;
 - (d) develop and implement a risk assessment process that measures the Association's levels of compliance risk, adequacy of controls, and provides for periodic reassessments;
 - (e) require a formal training program that provides for ongoing training in Compliance Laws and Regulations for all appropriate Association employees, Board

members, and other affiliated individuals performing compliance related activities for the Association;

(f) require a written consumer compliance review process before implementing new or changed products and services; and

(g) require written record retention requirements, reporting requirements and internal control systems to facilitate the oversight of the effectiveness of the Compliance Program by the Board and Senior Executive Officers.¹

3. Within fifty (50) days, the Association shall submit its Compliance Program to the Regional Director for review and comment. Upon written notification from the Regional Director that the Compliance Program is acceptable, the Association shall implement and adhere to the Compliance Program.

4. Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending September 30, 2010, the Association shall provide the Regional Director with written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement. Such reports may be discontinued when the corrections required by this Agreement have been completed and the Regional Director, in writing, has released the Association from making further reports.

Matters Requiring Board Attention/Corrective Actions.

5. The Association shall complete all matters requiring board attention relating to consumer compliance in the 2010 ROE by the dates set forth in the 2010 ROE and all corrective actions relating to consumer compliance in the 2010 ROE by December 31, 2010.

Effective Date.

6. This Agreement is effective on the Effective Date as shown on the first page.

¹ The term "Senior Executive Officer" is defined at 12 C.F.R. § 563.555.
American Express Bank, FSB
Supervisory Agreement
Page 3 of 7

Duration.

7. This Agreement shall remain in effect until terminated, modified or suspended, by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

8. Calculation of time limitations for compliance with the terms of this Agreement run from the Effective Date and shall be based on calendar days, unless otherwise noted.

Submissions and Notices.

9. All submissions to the OTS that are required by or contemplated by the Agreement shall be submitted within the specified timeframes.

10. Except as otherwise provided herein, all submissions, requests, communications, consents, or other documents relating to this Agreement shall be in writing and sent by first-class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission, or hand delivery by messenger) addressed as follows:

(a) To the OTS:

Philip A. Gerbick, Regional Director
Attn.: Dale R. Blackburn, Assistant Director
Office of Thrift Supervision, Western Region
101 Stewart Street, Suite 1010
Seattle, WA 98101-2419

(b) To the Association:

Scott C. Godderidge, Acting President and CEO
American Express Bank FSB
3415 South 2700 West
Salt Lake City, UT 84184

No Violations Authorized.

11. Nothing in this Agreement shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

OTS Authority Not Affected.

12. Nothing in this Agreement shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

13. The Association acknowledges and agrees that its execution of the Agreement is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 12 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

14. The laws of the United States of America shall govern the construction and validity of this Agreement.

15. If any provision of this Agreement is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

16. All references to the OTS in this Agreement shall also mean any of the OTS's predecessors, successors, and assigns.

17. The section and paragraph headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

18. The terms of this Agreement represent the final agreement of the parties with respect to the subject matters thereof and constitute the sole agreement of the parties with respect to such subject matters.

Enforceability of Agreement.

19. This Agreement is a “written agreement” entered into with an agency within the meaning and for the purposes of 12 U.S.C. § 1818.

Signature of Directors/Board Resolution.

20. Each Director signing this Agreement attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance and execution of the Agreement. This Agreement may be executed in counterparts by the directors after approval of execution of the Agreement at a duly called board meeting. A copy of the Board Resolution authorizing execution of this Agreement shall be delivered to the OTS, along with the executed original(s) of this Agreement.

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