

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of)

CONSENT ORDER

THE BANCORP BANK)
WILMINGTON, DELAWARE)

FDIC-13-0479b

(INSURED STATE NONMEMBER BANK))

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for The Bancorp Bank, Wilmington, Delaware ("Bank"), under section 3(q) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("CONSENT AGREEMENT"), dated June 4, 2014, that is accepted by the FDIC. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation relating to weaknesses in the bank's Bank Secrecy Act ("BSA") Compliance Program, to the issuance of this Consent Order ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under section 8(b) of the Act, 12 U.S.C. § 1818(b), have been satisfied, the FDIC hereby orders that:

BOARD SUPERVISION

1. (a) The Board shall increase its supervision and direction of the Bank's BSA Compliance Program, assuming full responsibility for the approval of sound BSA policies,

procedures and processes, including holding meetings no less frequently than monthly, at which it shall review the Bank's compliance with the ORDER. The Bank's Board minutes shall document these reviews.

(b) The Board shall provide written notification to the Regional Director of the FDIC's New York Region ("Regional Director") and the Office of the State Bank Commissioner of the State of Delaware ("Commissioner") of the resignations or terminations of any of its Senior Executive Officers (including, but not limited to the BSA and the OFAC¹ Officer(s)) or Board members within 15 days of the event. The Bank shall also establish procedures to ensure compliance with section 32 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 303.100-103. In addition, the Board shall provide written notification to the Regional Director and the Commissioner of any proposed new Senior Executive Officer (including, but not limited to the BSA and the OFAC Officer(s)) or Board member at least 30 days prior to the date such proposed individual is to begin service; such notification shall include their resume, completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and such other information as the Regional Director or the Commissioner may request. Such changes will only be effective upon receipt of the Regional Director's and the Commissioner's written non-objection.

MANAGEMENT

2. The Bank shall have and retain management qualified to oversee all aspects of the Bank's BSA Compliance Program, including a BSA and an OFAC Officer, as described in paragraphs 3

¹ United States Department of Treasury's Office of Foreign Assets Control ("OFAC"). The regulations promulgated by OFAC, 31 C.F.R. Part 500, as well as all statutes, regulations, rules and/or guidelines issued or administered by OFAC are referred to herein as the "OFAC Provisions."

and 4. Management shall ensure compliance with all applicable BSA laws and regulations.

Each member of management shall have the qualifications and experience commensurate with his or her duties and responsibilities related to applicable laws and regulations.

DESIGNATION OF BSA OFFICER

3. Within 60 days from the effective date of this ORDER, the Bank shall submit the name, resume, completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and such other information as the Regional Director or Commissioner may request, of a qualified individual or individuals to be responsible for coordinating and monitoring day-to-day compliance with the BSA ("BSA Officer") for review and non-objection by the Regional Director and Commissioner. The BSA Officer shall:

- (a) have sufficient executive authority to monitor and ensure compliance with the BSA;

- (b) be responsible for determining the adequacy of the Bank's BSA staffing given its size and risk profile (based upon the Risk Assessment, as hereinafter defined) and for supervising such staff;

- (c) report directly to the Board or the committee established pursuant to paragraph 16 of this ORDER;

- (d) report to the Bank's Audit Committee on a regular basis, not less than quarterly, with respect to BSA matters; and

- (e) be responsible for assuring the proper and timely filing of Suspicious Activity Reports ("SARs"), Currency Transaction Reports ("CTRs"), Reports of International

Transportation of Currency or Monetary Instruments (“CMIRs”), Reports of Foreign Bank and Financial Accounts (“FBARs”) and any other BSA required reports.

DESIGNATION OF OFAC OFFICER

4. (a) Within 60 days from the effective date of this ORDER, the Bank shall submit the name, resume and such other information as the Regional Director or the Commissioner may request, of a qualified individual or individuals to be responsible for coordinating and monitoring day-to-day compliance with the OFAC Provisions and the oversight of blocked funds (“OFAC Officer”) for review and non-objection by the Regional Director and the Commissioner. The OFAC Officer shall:

(i) have sufficient executive authority to monitor and ensure compliance with the OFAC Provisions;

(ii) report directly to the Board or the committee established pursuant to paragraph 16 of this ORDER;

(iii) report to the Bank's Audit Committee on a regular basis, not less than quarterly, with respect to OFAC matters; and

(iv) be responsible for assuring the proper and timely filing of, reports of blocked or rejected transactions with OFAC and any other reports required by the OFAC Provisions.

(b) The designated BSA Officer and the OFAC Officer may be the same qualified individual.

THIRD PARTY PAYMENT PROCESSOR RELATIONSHIPS

5. (a) The Bank shall establish adequate BSA policies and procedures, adequately train appropriate staff, establish and implement adequate controls to mitigate both the BSA and safety and soundness risk associated with prepaid card activities, credit card merchant acquiring activities and Automated Clearing House ("ACH") activities, perform a thorough BSA Risk Assessment relating to these activities, and submit for approval a written report ("BSA Report") to the Regional Director and the Commissioner detailing how it has accomplished these requirements, in conformance with the *Revised Guidance on Payment Processor Relationships* (FIL-3-2012, issued January 31, 2012) and the *Bank Secrecy Act/Anti-Money Laundering Examination Manual* compiled by the Federal Financial Institutions Examination Council (the "BSA Manual"). Approval of the BSA Report by the Regional Director and the Commissioner shall not be construed to allow the Bank to perform or engage in any activity expressly prohibited by this ORDER.

(b) The Bank may continue to issue prepaid cards through existing distribution channels pursuant to existing prepaid card programs established under existing contracts with third-party prepaid card program managers or third-party prepaid card processors.

(c) Until the Regional Director and the Commissioner have approved the BSA Report:

(1) With respect to prepaid card activities, except benefit cards and non-reloadable cards, the Bank shall not enter into any new contractual relationship with any third-party processor of prepaid cards or any third-party program manager of prepaid cards;

(2) With respect to general purpose reloadable card activities, the Bank shall

not establish any new prepaid card program or issue any new prepaid card product, or establish any new distribution channel for existing prepaid card products;

(3) With respect to credit card merchant acquiring activities, the Bank shall not enter into any new contractual relationship with any new third-party processor of credit cards; any new independent sales organization ("ISO") or sub-ISO; or, except as permitted by paragraph 5(c)(4) below, any new merchant (including any nested merchant, i.e., a merchant who also acts as a processor of credit cards).

(4) With respect to credit card merchant acquiring, the Bank shall not permit any existing ISO or sub-ISO to board any nested merchant or to board any merchant under a nested merchant. With respect to new, non-nested merchants, the Bank shall not permit any existing ISO or sub-ISO to board any merchant that is classified as unacceptable, restricted, or is otherwise prohibited by the Bank's policies, including the Bank's Payment Acceptance Group Credit and Underwriting Policy, or otherwise poses a significant risk to the Bank due to the type of product or service offered by the merchant, as determined by an adequate risk assessment performed by the Bank in accordance with the BSA and other applicable laws and regulations. Further, the Board shall provide written confirmation every calendar quarter after the effective date of this ORDER, based upon appropriate investigation, officer reports and certification, and independent verification where necessary, that the Bank has performed, or caused to be performed by its agents, the required BSA due diligence, enhanced due diligence and customer identification for every merchant that is boarded after the effective date of this ORDER, and said confirmation shall be reflected in the Board minutes, with the supporting documentation filed in a central location for review by FDIC and state examiners during regularly scheduled examinations and visitations of the Bank.

(5) With respect to ACH merchant payment processing activities, the Bank shall not enter into any new contractual relationship with any new third-party sender, or any new client/user (including nested users; i.e., a user who also acts as a third-party sender or client /user that processes ACH transactions for the nested client's customers).

(6) With respect to ACH merchant payment processing activities, the Bank shall not permit any existing third-party sender or any nested user to board any new client/user (including any client/user boarded by a nested client/user).

(d) The Bank shall establish and maintain adequate reserves for potential losses and charge-backs from prepaid, ACH, and credit card merchant acquiring activities.

(e) For purposes of this paragraph 5, the following terms shall have the following meaning:

(1) "Existing distribution channels" means all current retailers, current websites and their related links and current direct-mail distribution activity under the Bank's existing third-party program agreements or processor agreements (and renewals in the ordinary course) as of the effective date of this ORDER.

(2) "Existing prepaid card program" means all card programs and underlying card products currently offered by the Bank through existing distribution channels under the Bank's existing third-party program agreements or processor agreements (and renewals in the ordinary course) as of the effective date of this ORDER.

(3) "New prepaid card program" shall mean any prepaid card program that is not an existing prepaid card program as of the effective date of this ORDER.

(4) "New prepaid card product" shall mean any prepaid card product not offered under any existing prepaid card program or not in existence as of the effective date of

this ORDER. The term shall not include purely cosmetic variations made to prepaid card products issued and made available to substantially the same potential customers under existing prepaid card programs, such as variations in card plastics, card art or color, or such other cosmetic variations which have no bearing on any aspect of card functionality or use by the consumer.

(5) “Benefit cards” means employer-originated prepaid card accounts established for consumer access to employment-related benefits, consisting of flexible spending accounts, health spending accounts, health reimbursement arrangements, healthcare exchanges, wellness incentives, prescription drug benefits, drug trial clinical incentives, transit benefits, dependent care, child support, unemployment and disability accounts, and payroll cards that are non-reloadable by the employee.

(6) “Non-reloadable cards” means gift and incentive cards that cannot be reloaded by the cardholder.

(7) Other terms referenced herein shall have those meanings attributed under current industry-related practices; i.e., the term “ISO” shall be interpreted in connection with card association (network) rules; and the term “third-party sender” shall be interpreted as set forth in the NACHA or other interbank rules.

MERCHANT METHODOLOGY REVIEW

6. (a) Within 30 days from the effective date of this ORDER, the Bank shall engage an independent third party, acceptable to the Regional Director and the Commissioner, to conduct a review of the Bank’s merchant categories and due diligence, enhanced due diligence and customer identification methodologies for new merchants, which shall be summarized in a

written report which shall include any proposed corrective action (“Merchant Methodology Report”). The Bank’s proposed engagement letter for the review shall be provided to the Regional Director and Commissioner for non-objection or comment.

(b) The Merchant Methodology Report shall be developed within 60 days from the date the Regional Director and Commissioner issue a letter of non-objection to the engagement.

(c) Within 30 days from receipt of the Merchant Methodology Report, the Bank shall formulate a written plan (“Merchant Methodology Plan”) that incorporates the findings of the Merchant Methodology Report, a plan of action in response to each recommendation for corrective action contained in the Merchant Methodology Report, and a time frame for completing each action. If the Board elects not to adopt a plan of action in response to any recommendation for corrective action in the Merchant Methodology Report, the Board shall provide a written explanation for its decision, which shall be recorded in the minutes of the Board meeting.

(d) Within 120 days from the effective date of this ORDER, the Merchant Methodology Plan shall be provided to the Regional Director and the Commissioner for non-objection and comment. Within 15 days from receipt of non-objection or any comments from the Regional Director and the Commissioner, and after incorporation and adoption of all comments, the Board shall approve the Merchant Methodology Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Merchant Methodology Plan.

WRITTEN BSA COMPLIANCE PROGRAM

7. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop and the Board shall approve a revised, written BSA Compliance Program, including policies and procedures, which fully meets all applicable requirements of section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8, and which is designed to, among other things, ensure and maintain full compliance by the Bank with the BSA and the rules and regulations issued pursuant thereto.

(b) The Bank shall provide the Regional Director and the Commissioner with a copy of the revised, written BSA Compliance Program for non-objection or comment. Thereafter, the revised BSA Compliance Program shall be implemented in a manner acceptable to the Regional Director and the Commissioner, as determined at subsequent examinations and/or visitations of the Bank.

RISK ASSESSMENT

8. Within 60 days from the effective date of this ORDER, the Bank shall conduct an initial and subsequent periodic risk assessment of the Bank's operations ("Risk Assessment"), no less than annually, as detailed in the July 15, 2013 BSA Report of Examination issued jointly by the FDIC and the Office of the State Bank Commissioner of the State of Delaware ("2013 BSA ROE"), consistent with the guidance for risk assessments set forth in the BSA Manual, and shall establish appropriate written policies, procedures, and processes regarding Risk Assessments. The Risk Assessment shall address all pertinent risk factors that affect the overall BSA/anti-money laundering ("AML") risk profile of the Bank, including, but not limited to, the Bank's

non-traditional business lines involving prepaid cards, credit card merchant acquiring activities, ACH origination, and wealth management activities, and ensure that risk ratings are accurate and well supported through qualitative and quantitative data.

BSA INTERNAL CONTROLS

9. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop a revised system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into consideration the Bank's size and risk profile, as determined by the Risk Assessment required by paragraph 8 of this ORDER.

(b) At a minimum, such system of BSA Internal Controls shall include policies, procedures, and processes addressing the following areas:

(i) Suspicious Activity Monitoring and Reporting: The Bank shall, taking into account its size and risk profile, develop, adopt and implement policies, procedures, processes, and systems for monitoring, detecting, and reporting suspicious activity being conducted in all areas within or through the Bank; and ensure the timely, accurate, and complete filing of SARs, with an appropriate level of documentation and support for management's decisions to file or not to file a SAR, as required by law. These policies, procedures, processes and systems should ensure that all relevant areas of the Bank are monitored for suspicious activity, including, but not limited to: cash transactions, international and domestic wire transfers, ATM transactions, prepaid cards, credit card merchant acquiring activities, ACH origination, ISOs and wealth management activities. Any systems the Bank plans to utilize to assist in monitoring, detecting and reporting suspicious activity shall be validated and parameters

which are established shall be supported through a documented analysis of appropriate information.

(ii) Due Diligence: The Bank shall review and enhance its customer due diligence (“CDD”) policies, procedures and processes for new and existing customers to:

- a. be consistent with the guidance for CDD set forth in the BSA Manual;
- b. operate in conjunction with its Customer Identification Program (“CIP”); and
- c. enable the Bank to predict with relative certainty the types of transactions in which a customer is likely to engage.

(iii) At a minimum, the CDD program shall provide for:

- a. a risk assessment of the customer base through an appropriate risk rating system to ensure that the risk level of the Bank’s customers is accurately identified based on the potential for money laundering or other illicit activity posed by the customer’s activities, with consideration given to the purpose of the account, the anticipated type and volume of account activity, types of products and services offered, and locations and markets served by the customer;
- b. an appropriate level of ongoing monitoring commensurate with the risk level to ensure that the Bank can reasonably detect suspicious activity and accurately determine which customers require enhanced due diligence (“EDD”);

c. obtaining and analyzing a sufficient level of customer information at account opening to assist and support the risk ratings assigned;

d. a process for documenting and supporting the CDD analysis, including a method for validating risk ratings assigned at account opening, and resolving issues when insufficient or inaccurate information is obtained; and

e. processes to reasonably ensure the timely identification and accurate reporting of known or suspected criminal activity, as required by the suspicious activity reporting provisions of Part 353 of the FDIC's Rules and Regulations 12 C.F.R. Part 353.

(iv) Enhanced Customer Due Diligence: The Bank shall establish EDD policies, procedures and processes to conduct EDD necessary for those categories of customers the Bank has reason to believe pose a heightened risk of suspicious activity, including, but not limited to, high risk accounts, as described in the 2013 BSA ROE. The EDD policies, procedures and processes adopted should:

a. be consistent with the guidance for EDD set forth in the BSA Manual; and

b. operate in conjunction with its CIP and CDD policies, procedures and processes;

(v) At a minimum, the EDD program shall require EDD procedures to:

a. determine the appropriate frequency for conducting ongoing reviews, based on customer risk level;

b. determine the appropriate documentation necessary to conduct and support ongoing reviews and analyses in order to reasonably understand the normal and expected transactions of the customer; and

c. reasonably ensure the timely identification and accurate and complete reporting of known or suspected criminal activity against or involving the Bank to law enforcement and supervisory authorities, as required by the suspicious activity reporting provisions of Part 353 of the FDIC's Rules and Regulations, 12 C.F.R. Part 353.

(vi) The BSA internal control policies, procedures, processes, and practices shall operate in conjunction with each other, and be consistent with the guidance for account/transaction monitoring and reporting set forth in the BSA Manual, including arranging for the dissemination of a high risk customer list to appropriate departments within the Bank.

(c) The Bank shall submit the revised internal control policies, procedures, processes and practices to the Regional Director and the Commissioner for non-objection or comment. Within 30 days from receipt of non-objection or comments from the Regional Director or the Commissioner, and after incorporation and adoption of all comments, the Board shall approve the revised BSA internal control policies, procedures, processes and practices, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the revised internal control policies, procedures, processes and practices.

OFAC INTERNAL CONTROLS

10. Within 90 days from the effective date of this ORDER, the Bank shall develop, adopt, and implement a system of internal controls designed to ensure full compliance with the OFAC Provisions taking into consideration the recommendations contained in the 2013 BSA ROE and in a manner consistent with the guidance for OFAC compliance in the BSA Manual.

BSA TRAINING

11. (a) The Bank shall take all steps necessary, consistent with sound banking practices, to ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA applicable to the individual's specific responsibilities to assure the Bank's compliance with the BSA.

(b) Within 90 days from the effective date of this ORDER, the Bank shall develop, adopt and implement effective training programs designed for the Board, management and staff and their specific compliance responsibilities on all relevant aspects of laws, regulations, and Bank policies, procedures and processes relating to the BSA ("Training Program"). This Training Program shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA on an ongoing basis, including as they relate to high risk products and services, as described in the 2013 BSA ROE. The Training Program shall, at a minimum, include:

(i) an overview of the BSA for new staff along with specific training designed for their specific duties and responsibilities upon hiring;

(ii) training on the Bank's BSA policies, procedures and processes along with new rules and requirements as they arise for appropriate personnel designed to address their specific duties and responsibilities;

(iii) a requirement that the Bank fully document the training of each employee with respect to the BSA policies, procedures and processes, including the designated BSA Compliance Officer; and

(iv) a requirement that training in these areas be conducted no less frequently than annually.

BSA INDEPENDENT TESTING

12. (a) Within 30 days from the effective date of this ORDER, the Bank shall establish independent testing programs for compliance with the BSA rules and regulations, to be performed no less than annually. The scope of the testing procedures to be performed shall be documented in writing and approved by the Board or its designee. Testing results shall be documented in writing and approved by the Board or its designee within 60 days of completion. Testing procedures shall be consistent with the guidance for independent testing as set forth in the BSA Manual and include testing of high risk products and services, as described in the 2013 BSA ROE, and, at a minimum, address the following:

(i) overall integrity and effectiveness of the BSA/AML compliance program, including policies, procedures, and processes;

(ii) BSA/AML risk assessment;

- (iii) BSA reporting and recordkeeping requirements;
 - (iv) CIP implementation;
 - (v) adequacy of CDD and EDD policies, procedures, and processes and whether they comply with internal requirements;
 - (vi) personnel adherence to the Bank's BSA/AML policies, procedures, and processes;
 - (vii) appropriate transaction testing, with particular emphasis on high-risk operations;
 - (viii) training adequacy, including its comprehensiveness, accuracy of materials, the training schedule, and attendance tracking;
 - (ix) an evaluation of management's efforts to resolve violations and deficiencies noted in the previous tests or audits and regulatory examinations;
 - (x) an assessment of the overall process for identifying and reporting suspicious activity, including a review of filed or prepared SARs to determine their accuracy, timeliness, completeness, and effectiveness of the Bank's policy; and
 - (xi) accuracy and completeness of account risk profiles.
- (b) Written reports shall be prepared which document the testing results and provide recommendations for improvement. Such reports shall be presented to the Board.

REPORTS

13. The Bank shall ensure that all required reports, including CTRs, SARs, CMIRs, FBARs, and any other similar or related reports required by law or regulation are completed accurately and properly filed within required timeframes.

LOOK BACK REVIEW

14. (a) Within 30 days from the effective date of this ORDER, the Bank shall engage an independent third party, acceptable to the Regional Director and the Commissioner, to conduct a review of all accounts and transaction activity for the time period beginning January 1, 2013 through the effective date of this ORDER to determine whether suspicious activity involving any accounts or transactions within or through the Bank was properly identified and reported in accordance with the applicable suspicious activity reporting requirements ("Look Back Review"). The Look Back Review shall include an acceptable sampling of TPPP and ISO transactions to assess all business lines for suspicious activity.

(b) Within 10 days of the engagement, but prior to the commencement of the Look Back Review, the Bank shall submit the engagement letter to the Regional Director and the Commissioner for non-objection with respect to the scope, methodology and timing of the Look Back Review. The engagement letter submitted shall, at a minimum, include:

- (i) a description of the work to be performed under the engagement letter, the fees for each significant element of the engagement, and the aggregate fee;
- (ii) the responsibilities of the firm or individual;

(iii) identification of the professional standards covering the work to be performed;

(iv) identification of the specific procedures to be used when carrying out the work to be performed;

(v) the qualifications of the employee(s) of the independent third-party who is to perform the work;

(vi) the time frame for completion of the work, which may in no event exceed 90 days;

(vii) any restrictions on the use of the reported findings;

(viii) a provision for unrestricted access to work papers of the third party by the FDIC and the Commissioner; and

(ix) a certification that the independent third party is not affiliated in any manner with a current or former employee of the Bank or any of its senior executive officers (as that term is defined in 12 C.F.R. § 303.101(b)) or directors (current or former).

(c) Within 120 days of receipt of the Regional Director's and the Commissioner's non-objection, the third party will provide a copy of the report detailing its Look Back Review findings, along with copies of any additional SARs and CTRs filed, to the Regional Director and the Commissioner simultaneously with its delivery of the report to the Board.

CORRECTIVE ACTION

15. The Bank shall take all steps necessary, consistent with other provisions of this ORDER and sound banking practices, to eliminate and correct any unsafe or unsound banking practices and any violations of law or regulation cited in the 2013 BSA ROE.

DIRECTORS' BSA COMMITTEE

16. Within 30 days from the effective date of this ORDER, the Board shall establish a directors' BSA Committee ("BSA Committee") a majority of which members who are not now, and have never been, involved in the daily operations of the Bank, and whose composition is acceptable to the Regional Director and the Commissioner, with the responsibility of overseeing the Bank's compliance with this ORDER, the BSA regulations and the Bank's BSA Compliance Program. The BSA Committee shall perform a review of the Bank's BSA staffing needs, as specified in paragraph 17, and receive comprehensive monthly reports from the BSA Compliance Officer regarding the Bank's compliance with BSA regulations and the Bank's BSA Compliance Program. The BSA Committee shall present a report to the Board, at each regularly scheduled Board meeting, regarding the Bank's compliance with BSA regulations and the Bank's BSA Compliance Program, which shall be recorded in the appropriate minutes of the Board meeting and retained in the Bank's records.

BSA STAFFING

17. Within 60 days from the effective date of this ORDER, and periodically thereafter, no less than annually, the BSA Committee shall perform a review of the Bank's BSA staffing needs to ensure adequate and appropriate resources are in place at all times. The review shall include,

at a minimum, consideration of the Bank's size and growth plans, geographical areas served, products and services offered, and changes in the BSA/AML practices, rules and regulations.

PROGRESS REPORTS

18. Within 45 days from the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Regional Director and the Commissioner written progress reports detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. All progress reports and other written responses to this ORDER shall be reviewed and approved by the Board, and made a part of the Board minutes.

SHAREHOLDER DISCLOSURE

19. Within 30 days from the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company. The description shall fully describe the ORDER in all material aspects.

MISCELLANEOUS

It is expressly understood that if, at any time, the Regional Director and the Commissioner shall deem it appropriate in fulfilling the responsibilities placed upon him under applicable law to undertake any further action affecting the Bank, nothing in this ORDER shall bar, estop, or otherwise prevent him or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

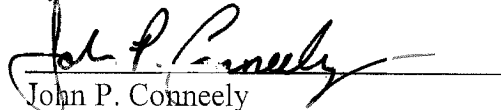
The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the FDIC.

Issued Pursuant to Delegated Authority

Dated: June 5th, 2014

By:



John P. Conneely

Deputy Regional Director

New York Regional Office

Federal Deposit Insurance Corporation