FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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	)	
In the Matter of	)	ORDER FOR RESTITUTION,
	)	AND ORDER TO PAY
GATEWAY BUSINESS BANK	)	CIVIL MONEY PENALTY
CERRITOS, CALIFORNIA	)	
	)	FDIC-11-054b
(INSURED STATE NONMEMBER BANK)	)	FDIC-10-888k
	)	
	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking

agency for Gateway Business Bank, Cerritos, California ("Bank") under 12 U.S.C. § 1813(q)(3).

The FDIC has reason to believe that the Bank has engaged in violations of the Equal

Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691f, as amended, the Fair Housing Act

("FHA"), 42 U.S.C. §§ 3601-3631, as amended, and their implementing regulations.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has

executed a Stipulation to the Issuance of an Order for Restitution and Order to Pay

("Stipulation") dated February 1, 2011, that is accepted by the FDIC. With the Stipulation, the

Bank has consented, solely for the purpose of this proceeding and without admitting or denying

any charges of unsafe or unsound banking practices or violations of law or regulation, to the

issuance of this Order for Restitution and Order to Pay Civil Money Penalty (collectively

referred to as "Order") by the FDIC.

Having determined that the requirements for issuance of an order under 12 U.S.C. §

1818(b) & (i) have been satisfied, the FDIC hereby orders the Bank and its institution-affiliated

parties**,** as that term is defined in 12 U.S.C. § 1813(u), to take the following actions:

I.   ORDER FOR RESTITUTION AND OTHER RELIEF

The FDIC hereby orders that the Bank, its institution-affiliated parties and its successors and assigns, take affirmative action to correct the violations of ECOA, FHA, and their implementing regulations as follows:

1.   RESTITUTION PLAN

(a)   Within 30 days from the effective date of this Order, the Bank shall prepare a comprehensive restitution plan ("Restitution Plan") for Hispanic borrowers who obtained conventional first-lien home purchase loans for owner-occupied 1-4 family properties from the Bank in 2006 ("2006 Eligible Consumers") and for Hispanic borrowers who obtained conventional first-lien home refinance loans for owner-occupied 1-4 family properties from the Bank in 2007 ("2007 Eligible Consumers"). The Restitution Plan shall include a sample letter to Eligible Consumers. The Bank shall submit the Restitution Plan to the Regional Director for his review, comment, and non-objection prior to implementation. The identity of the Eligible Consumers and the amounts of restitution for each Eligible Consumer shall be governed by the terms of the Stipulation.

(b)   Within 30 days of receipt of non-objection from the Regional Director, the Bank shall implement the Restitution Plan. Any required restitution amount shall be provided to each of the Eligible Consumers in the form of a cashier's check.

(c)   The Bank shall prepare a written report documenting the payments of the agreed restitution amounts. This report shall be submitted to the Regional Director within 60 days after the Bank has completed implementation of the Restitution Plan.

(d)   The Bank shall retain all records pertaining to the Restitution Plan, including but not limited to: the names, contact, and account information of the Eligible Consumers; any mailing records; and documentation that the appropriate restitution was made.

2.   <u>MAILING REFUNDS</u>

When the Bank makes cash refunds to Eligible Consumers by cashier's check made payable to that eligible consumer, it shall send the cashier's check by United States Postal Service first-class mail, address correction service requested, to the consumer's last address as maintained in the Bank's records. The Bank shall make reasonable attempts to obtain a current address for any Eligible Consumer whose notification letter and/or restitution check is returned for any reason, using standard address search methodologies, and shall promptly re-mail all returned letters and/or restitution checks to current addresses, if any. If the cashier's check for any Eligible Consumer is returned to the Bank after such second mailing by the Bank, the Bank shall retain the restitution amount of such Eligible Consumer for a period of three-hundred sixty-five (365) days from the date the restitution check was originally mailed, during which period such amount may be claimed by such Eligible Consumer upon appropriate proof of identity. After such time these monies will be disposed of in accordance with the Restitution Plan.

II.   <u>ORDER TO PAY</u>

It is further ordered, that by reason of the alleged violations of law and/or regulations, and after taking into account the Order for Restitution, the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity of the conduct by the Bank, the history of previous conduct by the Bank, and such other matters as justice may require, pursuant to 12 U.S.C. § 1818(i)(2), a civil money penalty of $25,000 is assessed against the Bank. The Bank shall pay the civil money penalty to the Treasury of the United States. The

Bank shall pay the civil money penalty itself and is prohibited from seeking or accepting indemnification from such payment from any third party.

III.   SAVINGS CLAUSE AND EFFECTIVE DATE OF ORDER

The provisions of this Order shall not bar, estop, or otherwise prevent the FDIC 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 or agents.

This Order will become effective upon its issuance by the FDIC. The provisions of this Order apply to the Bank's successors and assigns.

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

Pursuant to delegated authority.

Dated at Washington, D.C., this 7th day of March, 2011.

/s/
Sylvia H. Plunkett
Senior Deputy Director
Division of Depositor and Consumer Protection