

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

|                                |   |               |
|--------------------------------|---|---------------|
| _____                          | ) |               |
| In the Matter of               | ) |               |
|                                | ) | CONSENT ORDER |
| GOLDEN COAST BANK              | ) |               |
| LONG BEACH, CALIFORNIA         | ) | FDIC-10-094b  |
|                                | ) |               |
| (INSURED STATE NONMEMBER BANK) | ) |               |
| _____                          | ) |               |

The Federal Deposit Insurance Corporation (“FDIC”), under 12 U.S.C. § 1813(q)(3) is the appropriate Federal banking agency for Golden Coast Bank, Long Beach, California (“Bank”).

The Bank, by and through its duly elected acting Board of Directors (“Board”), has executed a Stipulation to the Issuance of a Consent Order (“Stipulation”), dated February 10, 2010, that is accepted by the FDIC. With the Stipulation, the Bank consented, without admitting or denying any charges of unsafe or unsound banking practices relating to management, compliance and audit, to the issuance of this Consent Order (“Order”) by the FDIC.

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

1. BOARD OF DIRECTORS

(a) From the effective date of this Order, the Board shall participate fully in the oversight of the Bank’s compliance management system, to include assuming full responsibility for the approval of sound compliance policies and objectives and for the supervision of all the Bank’s compliance-related activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. The Board shall demonstrate

clear and unequivocal expectations regarding compliance.

(b) Within 30 days from the effective date of this Order, the Bank's Board shall establish a compliance committee comprised of at least 3 directors who are not active officers of the Bank and at least 3 members of senior management, including the Compliance Officer ("Compliance Committee").

(i) The Compliance Committee shall meet no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: minutes of the Compliance Committee, Compliance Officer reports, Compliance Management Program audit reports, compliance program policies, and compliance with this Order.

(ii) The Compliance Committee shall report its monthly discussions to the Board and the Board minutes shall document the review and approval, including the names of any dissenting directors.

(iii) Establishment of the Compliance Committee does not in any way diminish the responsibility of the entire Board to ensure compliance with the provisions of this Order.

(iv) The Bank's Board, in conjunction with the Compliance Committee, shall allocate resources to the compliance area that are:

(A) Commensurate with the level of complexity of the Bank's operations to ensure the establishment and implementation of an adequate Compliance Management System, including procedures ensuring the Bank's compliance with Consumer Laws; and

(B) Sufficient to ensure the Bank's timely compliance with this provision of this Order.

(v) The Bank's Board, in conjunction with the Compliance

Committee, shall:

(A) Ensure that the duties and responsibilities of the Compliance Officer are clearly defined and provide for accessibility to both the Board and senior management;

(B) Require the Compliance Officer to provide to the Compliance Committee monthly written reports, including but not limited to new or changes to existing Consumer Laws, training performed, monitoring and audits performed, corrective action taken, and compliance with this Order;

(C) Require the Compliance Officer to review and respond promptly in writing to audit reports relating to all areas of the Bank's Compliance Management System;

(D) Ensure that the Compliance Officer has and retains sufficient authority and independence to implement policies related to Consumer Laws and to institute corrective action as needed. This authority shall include the ability to cross departmental lines, have access to all areas of the Bank's operations, and effectuate corrective action upon discovering deficiencies; and

(E) Ensure that the Compliance Officer receives ongoing training, sufficient time, and adequate resources to effectively oversee, coordinate, and implement the Bank's Compliance Management System.

(c) Within 90 days from the effective date of this Order, the Bank's Board shall develop and adopt an educational program for periodic training for each member of the Board. The educational program shall specifically address Consumer Laws.

2. COMPLIANCE MANAGEMENT SYSTEM

(a) Within 60 days from the effective date of this Order, the Bank shall

develop and implement a Compliance Management System that is commensurate with the level of complexity of the Bank's operations. The Compliance Management System shall:

(i) Include the development and implementation of a comprehensive written compliance program ("Compliance Program") which shall embrace all of the Consumer Laws to which the Bank is subject. At a minimum, the compliance program shall provide for and include:

(1) Development and implementation of operating procedures for each compliance and fair lending law and regulation to which the Bank is subject. Operating procedures should be distributed to all employees having responsibilities that relate to applicable Consumer Laws.

(2) Development and implementation of a formal training program for the Board and all personnel who have compliance responsibilities to ensure that all such personnel are thoroughly knowledgeable of applicable compliance requirements. The program should include the following: (i) training on all applicable laws and regulations; (ii) training on the procedural details required to perform transactions specific to the Bank; (iii) adequate in-person training to the lending staff to ensure that transactions specific to the Bank are conducted in compliance with applicable regulations; (iv) documentation of training provided, a list of personnel that attended the training, and copies of training materials used. The program shall be reviewed and updated at least annually.

(3) Development and implementation of procedures for monitoring the Bank's compliance with Consumer Laws.

(4) Development and implementation of procedures to ensure follow-up actions and corrective attention are provided to exceptions identified during monitoring.

(5) Development of specific provisions to preclude future violations of Consumer Laws cited in the FDIC's Compliance Report of Examination ("ROE") dated August 10, 2009 and to ensure substantial future adherence to all laws and regulations.

(b) The Board shall approve the written compliance program and/or any subsequent modification thereto, which approval shall be recorded in the minutes of the Board. Thereafter, the Bank shall follow the written compliance program and/or any subsequent modification thereto.

3. COMPLIANCE OFFICER

(a) During the life of this Order, the Bank shall have and retain a qualified compliance officer who possesses the requisite knowledge and experience to administer an effective Compliance Management System. The Compliance Officer shall be given stated written authority by the Bank's Board to implement and supervise the Bank's Compliance Program, including but not limited to providing training for the Bank's employees in all Consumer Laws, establishing internal controls and procedures reasonably designed to prevent violations of Consumer Laws, and performing or supervising periodic internal audits to ascertain compliance with Consumer Laws and/or the Bank's Compliance Program.

(b) The Compliance Management System shall provide sufficient staff personnel to assist the Compliance Officer, which staffing level shall, at a minimum, be maintained at the same level as was in place as of the date of the ROE.

4. INDEPENDENT AUDIT PROGRAM

(a) Within 90 days from the effective date of this Order, the Bank shall have an independent audit to ensure compliance with Consumer Laws. The audit shall be conducted by qualified personnel with experience in conducting independent audits of compliance programs of banks of a comparable size. The audit will assess the Bank's Compliance Program,

and at a minimum, shall:

- (i) Define a comprehensive scope;
- (ii) Identify the number of transactions sampled by category or product type;
- (iii) Identify deficiencies;
- (iv) Provide descriptions of or suggestions for corrective actions and time frames for correction; and
- (v) Establish follow-up procedures to verify that corrective actions were implemented and effective.

(b) Audit findings, deficiencies, and recommendations must be documented in a written report and provided to the Audit Committee within 10 days after completion of the independent audit. In addition, the audit reports should be thoroughly reviewed by the Bank's Board and be fully documented in the Board's minutes.

(c) Within 30 days of receipt of the independent auditor's written report, the Board shall take action to address the audit's findings, correct any deficiencies noted, and implement any recommendations or explain in writing signed by all Board members why a particular recommendation has not been implemented.

(d) After receipt of the independent audit, the Bank shall on a semi-annual basis conduct subsequent independent audits. The subsequent audits shall comply with all of the provisions of this paragraph 4.

#### 5. CORRECTIONS OF VIOLATIONS OF LAW AND/OR REGULATION

Within 30 days of the effective date of this Order, the Bank shall correct all violations of Consumer Laws, as more fully set forth in the ROE. In addition, the Bank shall ensure its future compliance with all applicable Consumer Laws. The Bank's actions as required

by this paragraph shall be satisfactory to the Regional Director of the FDIC's San Francisco Regional Office ("Regional Director") as determined at subsequent examinations and/or visitations.

6. SHAREHOLDER NOTIFICATION

Following the effective date of this Order, the Bank shall send to its shareholder(s) or otherwise furnish a description of this Order in conjunction with the Bank's next shareholder communication and also in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the Order in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Accounting and Securities Section, Washington, D.C. 20429, at least 15 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

7. PROGRESS REPORTS

Within 30 days after the end of the first calendar quarter following the effective date of this Order, and within 30 days after the end of every calendar quarter thereafter, the Bank shall furnish written progress reports to the Regional Director, which detail the form and manner of any actions taken to secure compliance with this Order and the results thereof. The Bank may discontinue submitting such reports when the corrections required by this Order have been accomplished and the Regional Director has expressly released the Bank in writing from making any further reports.

8. DISCLOSURE

Within 15 days of the effective date of this Order, the Bank shall send to its shareholder(s) a copy of this Order or a description of this Order in conjunction both with the

Bank's next shareholder communication and with its notice and/or proxy statement preceding the Bank's next shareholder meeting. If the Bank sends its shareholders a description of this Order rather than a copy of it, the description shall fully describe this Order in all respects.

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 actions against the Bank or any of the Bank's current or former institution-affiliated parties, as that term is defined in Section 8(u) of the FDI Act, 12 U.S.C. § 1813(u).

This Order will become effective upon the issuance by the FDIC.

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 provisions of this Order shall have been modified, terminated, suspended, or set aside by the FDIC.

Issued pursuant to delegated authority.

Dated at San Francisco, California, this 12<sup>th</sup> day of February, 2010.

/s/

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Frank A. Hartigan  
Deputy Regional Director  
Compliance Management  
Division of Supervision and Consumer Protection  
San Francisco Region  
Federal Deposit Insurance Corporation