

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	
FIRST VIETNAMESE AMERICAN BANK)	AMENDED SUPERVISORY
WESTMINSTER, CALIFORNIA)	PROMPT CORRECTIVE ACTION
(INSURED STATE NONMEMBER BANK))	DIRECTIVE
_____)	FDIC-10-691PCAS

WHEREAS, First Vietnamese American Bank, Westminster, California (“Bank”) is a critically undercapitalized depository institution as that term is defined in Section 38(b)(1) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. § 1831o(b)(1), and section 325.103 of the Federal Deposit Insurance Corporation (“FDIC”) Rules and Regulations, 12 C.F.R. § 325.103;

WHEREAS, pursuant to a letter dated February 24, 2010, the FDIC notified the Bank of its undercapitalized capital category as a result of the filing of the December 31, 2009, Call Report and required the Bank to submit an acceptable capital restoration plan compliant with section 38(e)(2) of the Act, 12 U.S.C. § 1831o(e)(2), and section 325.104 of the FDIC Rules and Regulations, 12 C.F.R. § 325.104, by March 17, 2010;

WHEREAS, the Bank submitted a Capital Plan on March 22, 2010, and has been unable to fulfill its terms;

WHEREAS, based on the capital calculations submitted to the FDIC by Bank management on September 8, 2010, the Bank’s capital category is now critically undercapitalized as that term is defined in Section 38(b)(1) of the Act, 12 U.S.C. § 1831o(b)(1), and section 325.103 of the FDIC Rules and Regulations, 12 C.F.R. § 325.103;

WHEREAS, the FDIC issued a Supervisory Prompt Corrective Action Directive on September 28, 2010;

WHEREAS, by letter dated September 30, 2010, the Bank requested a modification of the Directive under section 308.201(f) of the FDIC's Rules and Regulations, 12 C.F.R. § 308.201(f);

WHEREAS, the Bank's condition continues to deteriorate;

WHEREAS, the Bank's management has not demonstrated the ability to return the Bank to a safe and sound condition;

WHEREAS, the Bank's unacceptable capital restoration plan and deteriorating condition and management's inability to return the Bank to a safe and sound condition require that prompt corrective action be taken immediately;

WHEREAS, the actions in this directive are necessary to carry out the purposes of Section 38 of the Act including Section 38(e)(5), 12 U.S.C. § 1831o(e)(5);

THEREFORE, the FDIC finds it necessary, in order to carry out the purposes of Section 38 of the Act, to issue this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE without providing notice as set forth in section 308.201(a)(1) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(1), and hereby issues this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE pursuant to Section 38 of the Act, 12 U.S.C. § 1831o, and section 308.201(a)(2) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(2).

AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE

IT IS HEREBY DIRECTED, that within 15 days of the effective date of this Directive, the Bank shall take one or both of the following actions to recapitalize the Bank:

1. The Bank shall sell enough voting shares or obligations of the Bank so that the Bank will be adequately capitalized after the sale; and/or
2. The Bank shall accept an offer to be acquired by a depository institution holding company or to combine with another insured depository institution;

FURTHER DIRECTED, that during the period this Directive is in effect, the Bank shall not accept, renew or rollover any brokered deposits as defined in section 337.6(a)(2) of the FDIC Rules and Regulations, 12 C.F.R. § 337.6(a)(2);

FURTHER DIRECTED, that during the period this Directive is effective, the Bank shall restrict the interest rates that the Bank pays on deposits to comply with the interest rate restrictions in section 337.6 of the FDIC Rules and Regulations, 12 C.F.R. § 337.6;

FURTHER DIRECTED, that during the period this Directive is in effect, the Bank shall not permit its average total assets during any calendar quarter to exceed its average total assets during the preceding calendar quarter;

FURTHER DIRECTED, that during the period this Directive is in effect, the Bank shall make no capital distributions or dividend payments to its parent or any affiliate of the Bank or its parent, nor shall the Bank pay any bonuses to, or increase the compensation of, any director or officer of the Bank without prior written approval from the FDIC. The term “capital distribution” shall be defined as in Section 38(b)(2)(B) of the Act, 12 U.S.C. § 1831o(b)(2)(B);

FURTHER DIRECTED, that during the period this Directive is in effect, the Bank shall not engage in branching and shall solicit the FDIC’s prior written approval to relocate, sell or dispose of any existing branch;

FURTHER DIRECTED, that the provisions of this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall not affect the obligations of the Bank

pursuant to any other action issued against the Bank by the FDIC;

FURTHER DIRECTED, that this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall become effective immediately upon its receipt by the Bank.

Each provision of this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall be binding upon the Bank, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Bank.

Each provision of this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall remain effective and enforceable until the Bank has been adequately capitalized on average for four (4) consecutive calendar quarters, except to the extent that any provision shall be modified, terminated, suspended, or set aside by the FDIC.

The Bank may file a written appeal of this AMENDED SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE within fourteen (14) calendar days from the date of the issuance of this Directive as provided in section 308.201(a)(2) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(2).

The appeal shall be filed with Stan Ivie, Regional Director, Federal Deposit Insurance Corporation, San Francisco Regional Office, 25 Jessie Street at Ecker Square, Suite 2300, San Francisco, California 94105, with a copy to Joseph J. Sano, Regional Counsel, Federal Deposit Insurance Corporation, San Francisco Regional Office, 25 Jessie Street at Ecker Square, Suite 1400, San Francisco, California 94105.

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Pursuant to delegated authority.

Dated this 13th day of October, 2010.

/s/

J. George Doerr
Deputy Regional Director
Division of Supervision and Consumer Protection
San Francisco Region
Federal Deposit Insurance Corporation