The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for Libertad Bank, SSB, Austin, Texas (“Bank”), under 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting board of directors (“Board”), has executed a “Stipulation to the Issuance of a Consent Order” (“Stipulation”), dated October 6, 2011, that is accepted by the FDIC. With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulations relating to its Bank Secrecy Act Compliance Program, to the issuance of this CONSENT ORDER (“ORDER”) by the FDIC’s Dallas Regional Office (“Regional Director”).

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

**WRITTEN BSA COMPLIANCE PROGRAM**

1. Within 60 days after the effective date of this ORDER, the Bank shall develop, adopt, and implement a revised written BSA compliance program, which fully meets all applicable requirements of section 326.8 of the FDIC’s Rules and Regulations (“FDIC...
Rules”), 12 C.F.R. § 326.8, and which is designed to, among other things, assure and maintain full compliance by the Bank with the BSA and the rules and regulations issued pursuant thereto.

a) The Bank shall provide to the Regional Director and to the Texas Department of Savings and Mortgage Lending Commissioner (“Commissioner”) a copy of the revised written BSA Compliance program for review. Thereafter, the revised program and its implementation shall be prepared and conducted in a manner acceptable to the Regional Director and the Commissioner, as determined at subsequent examinations and/or visitations of the Bank. At a minimum, the program shall:

i. Require the Bank to develop, adopt and implement a revised, effective written policy designed to assure full compliance with all provisions of the BSA.

ii. Require the Bank to develop a system of internal controls to assure full compliance with the BSA and the rules and regulations issued pursuant thereto, including policies and procedures to detect and monitor all transactions, to assure the identification and proper reporting of all known or suspicious criminal activity, money laundering activity or violations of BSA.

iii. Designate a senior Bank official to be responsible for overall BSA compliance. This designated senior official shall be in a position, and have the authority, to make and enforce policies with respect
to BSA compliance, and to assure that full and complete corrective action is taken regarding previously identified violations and deficiencies. This senior Bank official shall have the necessary knowledge and expertise to effectively oversee the Bank’s BSA program commensurate with the level of risk in the Bank’s operations.

iv. Provide for written, detailed guidelines regarding the administration of any prepaid stored value cards program, and ongoing monitoring of all such activity for suspicious activity and the filing of all required reports resulting there from.

v. Provide for accurate and comprehensive risk assessments for BSA and Office of Foreign Assets Control (“OFAC”) compliance which fully take into account the nature of the Bank’s operations including, but not limited to any prepaid stored value cards program.

vi. Establish due diligence practices and written guidelines for all customers that are commensurate with the level of BSA and money laundering risk.

**BSA OFFICER**

2. Within 30 days after the effective date of this ORDER, the Bank shall analyze and assess the Bank’s BSA Officer’s abilities and level of experience to implement a BSA Compliance Program applicable to any prepaid stored value cards program. This
individual should possess the ability, experience, training and other necessary qualifications required to perform present and anticipated duties, including adherence to the Bank’s BSA Compliance Program, the requirements of the BSA regulations, and the provisions of this ORDER.

**INTERNAL CONTROLS AND ACCOUNT MONITORING**

3. Within 30 days after the effective date of this ORDER, the Board shall establish a system of internal controls to assure full compliance with the BSA as they relate to any prepaid stored value cards program. The BSA Risk Assessment shall be revised to include any prepaid stored value cards program, including defining the level of risk with the products, including reloading features and card activity. Additionally, any actions, procedures, or controls to mitigate risk shall be included in the BSA Risk Assessment. The BSA Risk Assessment should be reviewed periodically and revised as products and services are added or modified. Formal policies and procedures relative to any prepaid stored value cards program shall be developed to provide for monitoring for suspicious activity, which shall include card activity and reloading features, and determine reliance on any third party’s Customer Identification Procedures.

**CORRECTION OF VIOLATIONS**

4. Within 60 days after the effective date of this ORDER, the Bank’s Board shall eliminate and/or correct all violations of law or regulation identified in the Joint Report of Examination dated May 9, 2011 (“Joint Report”), and ensure that the BSA Compliance Program will facilitate compliance with all such laws and regulations in the future.
5. (a) Within 60 days after the effective date of this ORDER, and within the first 30 days of each calendar year thereafter, the Board shall develop a written profit plan consisting of goals and strategies for improving the earnings of the Bank for each calendar year (beginning with calendar year 2012).

The written profit plan shall address, at a minimum:

1. Identification of the major areas which the Board will seek to improve the Bank’s operating performance;
2. Realistic and comprehensive budgets;
3. A budget review process to monitor the income and expenses of the Bank and compare actual figures with budgetary projections on not less than a quarterly basis; and
4. A description of the operating assumptions that form the basis for and support major projected income and expense components.

(b) Such written profit plan and any subsequent modification thereto shall be submitted to the Regional Director and to the Commissioner for review and comment. Within 30 days after the receipt of any comment from the Regional Director and the Commissioner, the Bank’s Board shall approve the written profit plan which approval shall be recorded in the minutes of the Bank’s Board. Thereafter, the Bank, its directors, officers, and employees shall follow the written profit plan and/or any subsequent modification(s) thereto.
(c) Within 30 days after the end of each calendar quarter following completion of the profit plan and budget required by this paragraph, the Bank’s Board shall evaluate the Bank’s actual performance in relation to the written profit plan and budget, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the Board’s meeting when such evaluation is undertaken.

LIQUIDITY/ASSET/LIABILITY MANAGEMENT

6. (a) Within 60 days after the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and to the Commissioner for review and comment a written plan addressing liquidity. Annually thereafter, while this ORDER is in effect, the Bank shall review this plan for adequacy and, based upon such review, shall make necessary revisions to the plan to strengthen funds management procedures. The initial plan shall include, at a minimum, provisions:

(1) Establishing strategies to increase core deposit; and

(2) Establishing short- and long-term liquidity objectives.

(b) Within 30 days after the receipt of all such comments from the Regional Director and the Commissioner, the Bank shall adopt the plan, including any requested modifications or changes made by the Regional Director and the Commissioner, which adoption shall be recorded in the minutes of a Board’s meeting.

COMPLIANCE COMMITTEE

7. Within 30 days after the effective date of this ORDER, the Bank’s Board shall establish a subcommittee of the board of directors charged with the responsibility of ensuring that the Bank complies with the provisions of this ORDER. The subcommittee
shall report monthly to the entire Board of the Bank, and a copy of the report and any
discussion related to the report or the ORDER shall be included in the minutes of the
Bank’s board of directors’ meeting. Nothing contained herein shall diminish the
responsibility of the entire Board of the Bank to ensure compliance with the provisions of
this ORDER.

**PROGRESS REPORTS**

8. 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 each successive
calendar quarter, the Bank shall furnish written progress reports to the Regional Director
and to the Commissioner detailing the form and manner of any actions taken to secure
compliance with this ORDER and the results thereof. Such reports may be discontinued
when the corrections required by the ORDER have been accomplished and the Regional
Director has released the Bank in writing from making additional reports.

**SHAREHOLDER NOTIFICATION**

9. After 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 shareholders (1) in
conjunction with the Bank’s next shareholder communication, and also (2) 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 Disclosure Section, Washington, D.C. 20429, for review at
least 20 days prior to dissemination to shareholders. Any changes requested by the FDIC
shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this ORDER shall not bar, stop, 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.

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 this 6th day of October, 2011.

/_s/
Kristie K. Elmquist  
Acting Regional Director  
Dallas Region  
Federal Deposit Insurance Corporation