

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING
SPRINGFIELD, ILLINOIS

In the Matter of

MEGA INTERNATIONAL COMMERCIAL
BANK CO., LTD.
Taipei, Taiwan

MEGA INTERNATIONAL COMMERCIAL
BANK CO., LTD.
NEW YORK BRANCH
New York, New York

MEGA INTERNATIONAL COMMERCIAL
BANK CO., LTD.
CHICAGO BRANCH
Chicago, Illinois

and

MEGA INTERNATIONAL COMMERCIAL
BANK CO., LTD.
SILICON VALLEY BRANCH
San Jose, California

Docket Nos. 18-002-B-FB
18-002-B-FBR1
18-002-B-FBR2
18-002-B-FBR3
18-002-CMP-FB
2018-DB-01

Order to Cease and Desist and
Order of Assessment of a Civil
Money Penalty Issued Upon
Consent, Pursuant to the
Federal Deposit Insurance Act,
as Amended

WHEREAS, Mega International Commercial Bank Co., Ltd., Taipei, Taiwan (the
“Bank”) is a foreign bank as defined in section 1(b)(7) of the International Banking Act
(12 U.S.C. § 3101(7));

WHEREAS, the Bank conducts operations in the United States through various branches
(the “U.S. Operations”), including, but not limited to, branches in New York, New York (the

“New York Branch”), Chicago, Illinois (the “Chicago Branch”), and San Jose, California (the “Silicon Valley Branch”) (collectively, the “Branches”);

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal supervisor for the Bank and the U.S. Operations;

WHEREAS, the Illinois Department of Financial and Professional Regulation, Division of Banking (the “Division”) is the appropriate state supervisor for the Chicago Branch;

WHEREAS, the most recent examination of the New York Branch, conducted by the Federal Reserve Bank of New York (the “New York Reserve Bank”) as of June 30, 2016, disclosed significant deficiencies relating to the New York Branch’s risk management and compliance with applicable federal and state laws, rules, and regulations relating to anti-money laundering (“AML”) compliance, including the Bank Secrecy Act (“BSA”) (31 U.S.C. § 5311 *et seq.*); the rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X); and the requirements of Regulation K of the Board of Governors to report suspicious activity and to maintain an adequate BSA/AML compliance program (12 C.F.R. §§211.24(f) and 211.24(j)) (collectively, the “BSA/AML Requirements”);

WHEREAS, the most recent examination of the Chicago Branch, conducted by the Federal Reserve Bank of Chicago (the “Chicago Reserve Bank”) and the Division as of December 31, 2016, disclosed significant deficiencies relating to the Chicago Branch’s risk management and compliance with the BSA/AML Requirements;

WHEREAS, the most recent examination of the Silicon Valley Branch, conducted by the Federal Reserve Bank of San Francisco (the “San Francisco Reserve Bank”) as of September 30,

2016, disclosed deficiencies relating to the Silicon Valley Branch's risk management and compliance with the BSA/AML Requirements;

WHEREAS, it is the common goal of the Board of Governors, the New York Reserve Bank, the Chicago Reserve Bank, the San Francisco Reserve Bank, and the Bank to ensure that the Bank maintains effective corporate governance and oversight over BSA/AML compliance across the U.S. Operations on a consolidated basis;

WHEREAS, it is the common goal of the Board of Governors, the New York Reserve Bank, the Chicago Reserve Bank, the San Francisco Reserve Bank, the Division, the Bank, and the Branches that each Branch operates in compliance with all applicable federal and state laws, rules, and regulations;

WHEREAS, the Bank has undertaken enhancements to its corporate governance and is committed to continue to implement improvements in its oversight and compliance program for activities involving the Branches;

WHEREAS, the Bank, the Branches, the Board of Governors, and, as to the Chicago Branch, the Division, have mutually agreed to enter into this consent Order to Cease and Desist and Order of Assessment of a Civil Money Penalty (the "Order"); and

WHEREAS, on January 17, 2018, the board of directors of the Bank, at a duly constituted meeting, adopted a resolution authorizing and directing Chao-Shun Chang, Shioh Lin, Hung-Hui Chen, and Nian Tzy Yeh to enter into this Order on behalf of the Bank, the New York Branch, the Chicago Branch, and the Silicon Valley Branch respectively, and consenting to compliance with each and every applicable provision of this Order by the Bank, the New York Branch, the Chicago Branch, and the Silicon Valley Branch and waiving all rights that the Bank and each of the Branches may have pursuant to section 8 of the Federal Deposit Insurance Act,

as amended (the “FDI Act”) (12 U.S.C. § 1818) or Title 38 Part 392 of the Illinois Administrative Code, including, but not limited to: (i) the issuance of a notice of charges on any and all matters set forth in this Order; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, it is hereby ordered that, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, pursuant to sections 8(b)(1) and (4) of the FDI Act (12 U.S.C. §§ 1818(b)(1) and 1818(b)(4)), the Illinois Foreign Banking Office Act (205 ILCS 645/1 *et. seq.*) and the Illinois Banking Act (205 ILCS 5/1 *et. seq.*), the Bank and the Branches shall cease and desist and take affirmative action as follows:

Corporate Governance and Management Oversight

1. Within 60 days of this Order, the Bank’s board of directors shall submit a written plan to strengthen the board of directors and U.S. senior management oversight of BSA/AML compliance across the U.S. Operations on a consolidated basis acceptable to the New York Reserve Bank. The plan shall provide for a sustainable governance framework that, at a minimum, addresses, considers, and includes:

(a) actions the Bank’s board of directors will take to establish a consolidated framework for BSA/AML compliance across the U.S. Operations, including, but not limited to, maintenance of effective control over, and supervision of the implementation of the BSA/AML compliance programs by U.S. senior management;

(b) actions the Bank's board of directors will take to establish a consolidated framework for compliance with the regulations issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") (31 C.F.R. Chapter V) (the "OFAC Regulations");

(c) a description of the information and reports that will be regularly reviewed by the Bank's board of directors and U.S. senior management in the oversight of the U.S. Operations' BSA/AML compliance program; and

(d) an evaluation of staffing needs of the U.S. Operations to ensure that the U.S. Operations are adequately staffed by qualified personnel with the ability, experience, and other qualifications necessary to ensure that the U.S. Operations comply with applicable laws and regulations, maintain the U.S. Operations in a safe and sound condition, and comply with the requirements of this Order.

2. Within 60 days of this Order, the Bank's board of directors and the respective management of each of the Branches shall jointly submit an individual written plan to enhance the Bank's and the respective Branch's management's oversight of the respective Branch's compliance with the BSA/AML Requirements and the OFAC Regulations acceptable to the appropriate Reserve Bank and, for the Chicago Branch, the Division. Each plan shall provide for a sustainable governance framework that, at a minimum, addresses, considers, and includes:

(a) actions the Bank's board of directors will take to maintain effective control over, and oversight of, the respective Branch management's compliance with the BSA/AML Requirements, and the OFAC Regulations;

- (b) clearly defined roles, responsibilities, and accountability regarding compliance with the BSA/AML Requirements for the Bank's and each of the respective Branch's management, BSA/AML compliance personnel, and internal audit staff;
- (c) measures to ensure BSA/AML issues are appropriately tracked, escalated, and reviewed by the respective Branch's senior management;
- (d) measures to ensure that the persons or groups at the Bank and the respective Branch charged with the responsibility of overseeing the Branch's compliance with the BSA/AML Requirements and the OFAC Regulations possess appropriate subject matter expertise and authority, and are actively involved in carrying out such responsibilities;
- (e) allocation of adequate resources to ensure the respective Branch's compliance with the BSA/AML Requirements and the OFAC Regulations;
- (f) measures to ensure that there is proper oversight of any independent testing that is outsourced; and
- (g) a direct line of communication between the respective Branch's BSA/AML compliance officer and the Bank's board of directors or delegate thereof.

NEW YORK BRANCH

BSA/AML Compliance Program

3. Within 60 days of this Order, the Bank and the New York Branch shall jointly submit a written enhanced BSA/AML compliance program for the New York Branch acceptable to the New York Reserve Bank. At a minimum, the program shall provide for:

- (a) a system of internal controls reasonably designed to ensure compliance with all applicable BSA/AML Requirements;

(b) controls designed to ensure compliance with all applicable requirements relating to correspondent accounts for foreign financial institutions, including, but not limited to, affiliates;

(c) enhanced independent testing to ensure that comprehensive and timely reviews of the New York Branch's BSA/AML compliance program are performed on a regular basis by qualified parties who are independent of the New York Branch's business lines and compliance function;

(d) a comprehensive BSA/AML risk assessment that identifies and considers all products and services of the New York Branch, customer types (including, but not limited to, politically exposed persons), and geographic locations, as appropriate, in determining inherent and residual risks;

(e) management of the New York Branch's BSA/AML compliance program by a qualified compliance officer, who is supported by adequate staffing levels and resources, is independent, and is responsible for implementing and maintaining an effective BSA/AML compliance program that is commensurate with the New York Branch's size and risk profile, and periodic re-evaluation of resources and staffing needs;

(f) internal controls to ensure that the data received by the New York Branch's BSA/AML monitoring system is complete and interpretable by the system; and

(g) effective training for all appropriate New York Branch personnel and appropriate personnel of affiliates that perform BSA/AML compliance-related functions for the New York Branch in all aspects of the BSA/AML Requirements and internal policies and procedures.

Customer Due Diligence

4. Within 60 days of this Order, the Bank and the New York Branch shall jointly submit a written revised program for conducting appropriate levels of customer due diligence by the New York Branch acceptable to the New York Reserve Bank. At a minimum, the revised program shall include:

(a) policies, procedures, and controls to ensure that the New York Branch collects, analyzes, and retains complete and accurate customer information for all account holders, including, but not limited to:

(i) documentation necessary to verify the identity, source of wealth, and business activities of the customer; and

(ii) documentation necessary to understand the normal and expected transactions of the customer;

(b) a revised methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services, and geographic locations;

(c) a risk-focused assessment of the customer base to:

(i) identify the categories of customers whose transactions and banking activities are routine and usual;

(ii) identify the categories of customers that pose a heightened risk of conducting potentially illicit activities at or through the New York Branch; and

(iii) determine the appropriate level of enhanced due diligence necessary for the categories of customers that pose a heightened risk;

(d) policies, procedures, and controls to ensure that foreign correspondent accounts, including, but not limited to, affiliates, are accorded the appropriate due diligence and, where necessary, enhanced due diligence; and

(e) procedures to ensure periodic reviews and evaluations are conducted and documented for all account holders.

Suspicious Activity Monitoring and Reporting

5. Within 60 days of the Order, the Bank and the New York Branch shall jointly submit an enhanced written program acceptable to the New York Reserve Bank reasonably designed to ensure the identification and timely, accurate, and complete reporting by the New York Branch of all known or suspected violations of law or suspicious transactions to law enforcement and supervisory authorities, as required by applicable suspicious activity reporting laws and regulations. At a minimum, the enhanced program shall include:

(a) policies and procedures to ensure all necessary customer and transactional data is collected from across all business lines and is aggregated into an appropriate transaction monitoring system to ensure comprehensive suspicious activity monitoring;

(b) a well-documented methodology for establishing monitoring rules and thresholds appropriate for the New York Branch's risk profile, products, services, customer base, and geographic locations;

(c) effective monitoring of customer accounts and transactions;

(d) adequate escalation of information about potentially suspicious activity through appropriate levels of management;

(e) policies and procedures to ensure maintenance of sufficient documentation with respect to the investigation and analysis of potentially suspicious activity, including the resolution and escalation of concerns; and

(f) a timetable to implement improvements to the suspicious activity monitoring systems and processes.

Transaction Review

6. (a) Within 30 days of this Order, the Bank and the New York Branch shall engage an independent third party acceptable to the New York Reserve Bank to conduct a review of the New York Branch's U.S. dollar clearing transaction activity from January 1, 2015 to June 30, 2015 to determine whether suspicious activity involving high risk customers or transactions at, by, or through the New York Branch were properly identified and reported in accordance with applicable suspicious activity reporting regulations (the "New York Transaction Review") and to prepare a written report detailing the third party's findings (the "New York Transaction Review Report").

(b) Based on the New York Reserve Bank's evaluation of the results of the New York Transaction Review and the New York Transaction Review Report, the New York Reserve Bank may direct the Bank and the New York Branch to engage the independent third party to conduct a review for additional time periods and for additional business activities.

7. Within 10 days of the engagement of the independent third party, but prior to the commencement of the New York Transaction Review, the Bank and the New York Branch shall jointly submit to the New York Reserve Bank for approval an engagement letter that sets forth:

(a) the scope of the New York Transaction Review;

- (b) the methodology for conducting the New York Transaction Review, including any sampling procedures to be followed;
- (c) the expertise and resources to be dedicated to the New York Transaction Review;
- (d) the anticipated date of completion of the New York Transaction Review and the New York Transaction Review Report;
- (e) a commitment to provide a copy of the New York Transaction Review Report to the New York Reserve Bank at the same time that the report is provided to the Bank and the New York Branch; and
- (f) a commitment that any and all interim reports, drafts, workpapers, or other supporting materials associated with the New York Transaction Review and New York Transaction Review Report will be made available to the New York Reserve Bank upon request.

8. Throughout the New York Transaction Review, the Bank and the New York Branch shall ensure that all matters or transactions required to be reported that have not previously been reported are reported in accordance with applicable rules and regulations.

Office of Foreign Assets Control Compliance

9. Within 60 days of this Order, the Bank and the New York Branch shall jointly submit a plan to enhance the New York Branch's compliance with the OFAC Regulations acceptable to the New York Reserve Bank, including but not limited to, enhanced OFAC screening procedures, an improved methodology for assessing OFAC risks, enhanced policies and procedures to ensure compliance with the OFAC Regulations, and independent testing of compliance with OFAC Regulations.

CHICAGO BRANCH

BSA/AML Compliance Program

10. Within 60 days of this Order, the Bank and the Chicago Branch shall jointly submit a written enhanced BSA/AML compliance program for the Chicago Branch acceptable to the Chicago Reserve Bank and the Division. At a minimum, the program shall provide for:

(a) a system of internal controls reasonably designed to ensure compliance with all applicable BSA/AML Requirements;

(b) enhanced independent testing to ensure that comprehensive and timely reviews of the Chicago Branch's BSA/AML compliance program are performed on a regular basis by qualified parties who are independent of the Chicago Branch's business lines and compliance function;

(c) a comprehensive BSA/AML risk assessment that identifies and considers all products and services of the Chicago Branch, customer types (including, but not limited to, politically exposed persons), and geographic locations, as appropriate, in determining inherent and residual risks;

(d) management of the Chicago Branch's BSA/AML compliance program by a qualified compliance officer, who is supported by adequate staffing levels and resources, and is responsible for implementing and maintaining an effective BSA/AML compliance program that is commensurate with the Chicago Branch's size and risk profile, and periodic re-evaluation of resources and staffing needs; and

(e) effective training for all appropriate Chicago Branch personnel and appropriate personnel of affiliates that perform BSA/AML compliance-related functions for the

Chicago Branch in all aspects of the BSA/AML Requirements and internal policies and procedures.

Customer Due Diligence

11. Within 60 days of this Order, the Bank and the Chicago Branch shall jointly submit a written revised program for conducting appropriate levels of customer due diligence by the Chicago Branch acceptable to the Chicago Reserve Bank and the Division. At a minimum, the revised program shall include:

(a) policies, procedures, and controls to ensure that the Chicago Branch collects, analyzes, and retains complete and accurate customer information for all account holders, including, but not limited to:

(i) documentation necessary to verify the identity, source of wealth, and business activities of the customer; and

(ii) documentation necessary to understand the normal and expected transactions of the customer;

(b) a revised methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services, and geographic locations;

(c) a risk-focused assessment of the customer base to:

(i) identify the categories of customers whose transactions and banking activities are routine and usual;

(ii) identify the categories of customers that pose a heightened risk of conducting potentially illicit activities at or through the Chicago Branch; and

- (iii) determine the appropriate level of enhanced due diligence necessary for the categories of customers that pose a heightened risk; and
- (d) procedures to ensure periodic reviews and evaluations are conducted and documented for all account holders.

Suspicious Activity Monitoring and Reporting

12. Within 60 days of the Order, the Bank and the Chicago Branch shall submit an enhanced written program acceptable to the Chicago Reserve Bank and the Division reasonably designed to ensure the identification and timely, accurate, and complete reporting by the Chicago Branch of all known or suspected violations of law or suspicious transactions to law enforcement and supervisory authorities, as required by applicable suspicious activity reporting laws and regulations. At a minimum, the enhanced program shall include:

- (a) policies and procedures to ensure all necessary customer and transactional data is collected from across all business lines and is aggregated into an appropriate transaction monitoring system to ensure comprehensive suspicious activity monitoring;
- (b) a well-documented methodology for establishing monitoring rules and thresholds appropriate for the Chicago Branch's risk profile, products, services, customer base, and geographic locations;
- (c) effective monitoring of customer accounts and transactions;
- (d) adequate escalation of information about potentially suspicious activity through appropriate levels of management;
- (e) policies and procedures to ensure maintenance of sufficient documentation with respect to the investigation and analysis of potentially suspicious activity, including the resolution and escalation of concerns; and

(f) a timetable to implement improvements to the suspicious activity monitoring systems and processes.

Office of Foreign Assets Control Compliance

13. Within 60 days of this Order, the Bank and the Chicago Branch shall jointly submit a plan to enhance the Chicago Branch's compliance with the OFAC Regulations acceptable to the Chicago Reserve Bank and the Division, including, but not limited to, enhanced OFAC screening procedures, an improved methodology for assessing OFAC risks, enhanced policies and procedures to ensure compliance with the OFAC Regulations, and independent testing of compliance with OFAC Regulations.

SILICON VALLEY BRANCH

BSA/AML Compliance Program

14. Within 60 days of this Order, the Bank and the Silicon Valley Branch shall jointly submit a written enhanced BSA/AML compliance program for the Silicon Valley Branch acceptable to the San Francisco Reserve Bank. At a minimum, the program shall provide for:

- (a) a system of internal controls reasonably designed to ensure compliance with all applicable BSA/AML Requirements;
- (b) controls designed to ensure compliance with all applicable requirements relating to correspondent accounts for foreign financial institutions, including, but not limited to, affiliates;
- (c) enhanced independent testing to ensure that comprehensive and timely reviews of the Silicon Valley Branch's BSA/AML compliance program are performed on a regular basis by qualified parties who are independent of the Silicon Valley Branch's business lines and compliance function;

(d) comprehensive BSA/AML risk assessment that identifies and considers all products and services of the Silicon Valley Branch, customer types (including, but not limited to, politically exposed persons), and geographic locations, as appropriate, in determining inherent and residual risks;

(e) management of the Silicon Valley Branch's BSA/AML compliance program by a qualified compliance officer, who is supported by adequate staffing levels and resources, is independent, and is responsible for implementing and maintaining an effective BSA/AML compliance program that is commensurate with the Silicon Valley Branch's size and risk profile, and periodic re-evaluation of resources and staffing needs;

(f) internal controls to ensure that the data received by the Silicon Valley Branch's BSA/AML monitoring system is complete and interpretable by the system; and

(g) effective training for all appropriate Silicon Valley Branch personnel and appropriate personnel of affiliates that perform BSA/AML compliance-related functions for the Silicon Valley Branch in all aspects of the BSA/AML Requirements and internal policies and procedures.

Customer Due Diligence

15. Within 60 days of this Order, the Bank and the Silicon Valley Branch shall jointly submit a written revised program for conducting appropriate levels of customer due diligence by the Silicon Valley Branch acceptable to the San Francisco Reserve Bank. At a minimum, the revised program shall include:

(a) policies, procedures, and controls to ensure that the Silicon Valley Branch collects, analyzes, and retains complete and accurate customer information for all account holders, including, but not limited to:

(i) documentation necessary to verify the identity, source of wealth, and business activities of the customer; and

(ii) documentation necessary to understand the normal and expected transactions of the customer;

(b) a revised methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services, and geographic locations;

(c) a risk-focused assessment of the customer base to:

(i) identify the categories of customers whose transactions and banking activities are routine and usual;

(ii) identify the categories of customers that pose a heightened risk of conducting potentially illicit activities at or through the Silicon Valley Branch; and

(iii) determine the appropriate level of enhanced due diligence necessary for the categories of customers that pose a heightened risk;

(d) policies, procedures, and controls to ensure that foreign correspondent accounts, including, but not limited to, affiliates, are accorded the appropriate due diligence and, where necessary, enhanced due diligence;

(e) policies, procedures, and controls to ensure that non-customers of the Silicon Valley Branch are accorded the appropriate due diligence, and where necessary, enhanced due diligence; and

(f) procedures to ensure periodic reviews and evaluations are conducted and documented for all account holders.

Suspicious Activity Monitoring and Reporting

16. Within 60 days of the Order, the Bank and the Silicon Valley Branch shall jointly submit an enhanced written program acceptable to the San Francisco Reserve Bank reasonably designed to ensure the identification and timely, accurate, and complete reporting by the Silicon Valley Branch of all known or suspected violations of law or suspicious transactions to law enforcement and supervisory authorities, as required by applicable suspicious activity reporting laws and regulations. At a minimum, the enhanced program shall include:

- (a) policies and procedures to ensure all necessary customer and transactional data is collected from across all business lines and is aggregated into an appropriate transaction monitoring system to ensure comprehensive suspicious activity monitoring;
- (b) a well-documented methodology for establishing monitoring rules and thresholds appropriate for the Silicon Valley Branch's risk profile, products, services, customer base, and geographic locations;
- (c) effective monitoring of customer accounts and transactions;
- (d) adequate escalation of information about potentially suspicious activity through appropriate levels of management;
- (e) policies and procedures to ensure maintenance of sufficient documentation with respect to the investigation and analysis of potentially suspicious activity, including the resolution and escalation of concerns; and
- (f) a timetable to implement improvements to the suspicious activity monitoring systems and processes.

Office of Foreign Assets Control Compliance

17. Within 60 days of this Order, the Bank and the Silicon Valley Branch shall jointly submit a plan to enhance the Silicon Valley Branch's compliance with the OFAC Regulations acceptable to the San Francisco Reserve Bank, including but not limited to, enhanced OFAC screening procedures, an improved methodology for assessing OFAC risks, enhanced policies and procedures to ensure compliance with the OFAC Regulations, and independent testing of compliance with OFAC Regulations.

FOR THE BANK AND THE BRANCHES

Assessment of Civil Money Penalty

18. The Board of Governors hereby assesses the Bank a civil money penalty in the amount of \$29 million which shall be paid upon the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 051000033, beneficiary, Board of Governors of the Federal Reserve System. This penalty is a penalty paid to a government agency for a violation of law for purposes of 26 U.S.C. § 162(f) and 26 C.F.R. § 1.162-21. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

Approval, Implementation, and Progress Reports

19. (a) The Bank and each of the Branches, as applicable, shall submit the written plans, programs, and engagement letter that are acceptable to the appropriate Reserve Bank and, as to the Chicago Branch, the Division, in accordance with each of the appropriate Reserve Bank's, and the Division's requirements within the applicable time periods set forth in paragraphs 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of this Order. Each plan or

program shall contain a timeline for full implementation of the plan or program with specific deadlines for the completion of each component of the plan or program. An independent third party acceptable to the New York Reserve Bank shall be retained by the Bank and the New York Branch within the time period set forth in paragraph 6 of this Order.

(b) Within 10 days of acceptance by the appropriate Reserve Bank and, as to the Chicago Branch, the Division, the Bank and the Branches, as applicable, shall adopt the plans and programs. Upon adoption, the Bank and the Branches, as applicable, shall implement the plans and programs and thereafter fully comply with them.

(c) During the term of this Order, the approved plans, programs, and engagement letters shall not be amended or rescinded without the prior written approval of the appropriate Reserve Bank and, as to the Chicago Branch, the Division.

19. Within 30 days after the end of each quarter following the date of this Order, the Bank and each of the Branches shall jointly submit to the appropriate Reserve Bank and, as to the Chicago Branch, the Division, a written progress report detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof. The appropriate Reserve Bank, and the Division may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

Notices

20. All communications regarding this Order shall be sent to:

(a) Ms. Julie A. Williams
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604

- (b) Ms. Bettyann Griffith
Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045
- (c) Ms. Donna Balcer
Senior Manager
Federal Reserve Bank of San Francisco
Los Angeles Branch
950 South Grand Avenue
Los Angeles, California 90015
- (d) Richard M. Ashton
Deputy General Counsel
Board of Governors of the Federal Reserve System
Washington, D.C. 20551
- (e) Ms. Kerri Doll
Director
Illinois Department of Financial and Professional Regulation
5th Floor
320 W. Washington
Springfield, Illinois 62786
- (f) Mr. Chao-Shun Chang
Chairman of the Board
Mega International Commercial Bank Co., Ltd.
No. 100 Chi Lin Road
Taipei 10424, Taiwan
- (g) Ms. Shiow Lin
Senior Executive Vice President and General Manager
Mega International Commercial Bank Co., Ltd.
New York Branch
65 Liberty Street
New York, New York 10038
- (h) Mr. Hung-Hui Chen
Vice President and General Manager
Mega International Commercial Bank Co., Ltd.
Chicago Branch
2 North LaSalle Street, Suite 1803
Chicago, Illinois 60603

- (i) Mr. Nian Tzy Yeh
Vice President and General Manager
Mega International Commercial Bank Co., Ltd.
Silicon Valley Branch
333 West San Carlos Street, Suite 100
San Jose, California 95110

Miscellaneous

21. The provisions of this Order shall be binding on the Bank, each of the Branches, and each of their institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(4)), in their capacities as such, and their successors and assigns.

22. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the appropriate Reserve Bank and, as to the Chicago Branch, the Division.

23. Notwithstanding any provision of this Order, the appropriate Reserve Bank and, as to the Chicago Branch, the Division, may, in their sole discretion, grant written extensions of time to the Bank or the applicable Branches to comply with any provision of this Order.

24. The Board of Governors hereby agrees not to initiate any further enforcement actions, including for civil money penalties, against the Bank, the Branches, and their affiliates, successors and assigns, with respect to the conduct described in the WHEREAS clauses of this Order to the extent known by the Board of Governors as of the effective date of this Order. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order, or (iii) any proceedings brought by the Board of Governors against individuals who are or were institution-affiliated parties of the Bank, the Branches, and their affiliates.

By order of the Board of Governors of the Federal Reserve System and the Illinois
Department of Financial and Professional Regulation, Division of Banking, effective this 17th
day of January, 2018.