

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

Written Agreement by and between

BANK OF GUEYDAN  
Gueydan, Louisiana

and

FEDERAL RESERVE BANK OF ATLANTA  
Atlanta, Georgia

Docket No. 14-014-WA/RB-SM

WHEREAS, in recognition of their common goal of compliance with consumer protection laws and regulations, Bank of Gueydan, Gueydan, Louisiana (the “Bank”), a state chartered bank that is a member of the Federal Reserve System, and the Federal Reserve Bank of Atlanta, Atlanta, Georgia (the “Reserve Bank”) have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on June 25, 2014, the board of directors of the Bank, at a duly constituted meeting, adopted a resolution authorizing and directing Mr. J. C. Petry to enter into this Agreement on behalf of the Bank, and consenting to compliance with each and every provision of this Agreement by the Bank.

NOW, THEREFORE, the Bank and the Reserve Bank agree as follows:

**Consumer Compliance**

1. Within 45 days of this Agreement, the board of directors of the Bank shall retain the services of a qualified consultant acceptable to the Reserve Bank to assist the board of

directors and senior management in developing a formal consumer compliance risk management program that ensures the Bank's compliance with Provisions 3 and 4 of this Agreement.

(a) The consultant shall assist the Bank's board of directors and senior management in addressing each provision of this Agreement.

(b) Prior to retaining the consultant, the Bank shall submit an engagement letter to the Reserve Bank for approval.

2. Within 60 days of this Agreement, the board of directors of the Bank shall submit a written plan acceptable to the Reserve Bank to improve board oversight. The written plan shall:

(a) identify steps to be taken to improve the board of directors' oversight of consumer compliance issues;

(b) define the responsibility, authority, and expectations of senior management and the compliance officer to maintain an effective consumer compliance program;

(c) ensure that the compliance officer has the requisite stature, authority, and independence to enforce all consumer compliance policies, procedures, and training;

(d) ensure the accountability of senior management for executing the consumer compliance risk management program;

(e) set forth the steps to ensure the board of directors fulfills its responsibility to monitor management's adherence to applicable laws and regulations and approved policies and procedures;

(f) ensure that compensation and performance assessments of senior management encourage compliance with consumer laws and regulations;

(g) invite the compliance officer to attend monthly board meetings to report, in person and in writing, the status of the consumer compliance risk management program; and

(h) ensure that the board receives adequate information to effectively oversee the Bank's consumer compliance risk management program.

3. Within 90 days of this Agreement, the Bank will develop and maintain consumer compliance and fair lending risk assessments acceptable to the Reserve Bank. At a minimum, the risk assessments shall address, consider, and include the:

(a) evaluation of the Bank's current consumer compliance risk management program;

(b) review of major loan product lines;

(c) identification and measurement of risk mitigants;

(d) identification and measurement of residual risk;

(e) identification and measurement of lending discrimination risk factors; and

(f) requirement to update the assessments annually.

4. Within 120 days of this Agreement, the Bank will develop and implement a consumer compliance program that:

(a) includes a comprehensive plan acceptable to the Reserve Bank for the execution of a robust compliance risk management program that is commensurate with the size and complexity of the Bank and designed to ensure compliance with applicable Board of Governors of the Federal Reserve System ("Board of Governors") guidance;

(b) establishes a schedule of interim compliance reviews based on the results of the risk assessments and the scope of each review;

(c) provides for a compliance monitoring program; and

(d) establishes an effective officer and employee training program and maintains accurate records of completion of training sessions.

### **Compliance with Laws, Regulations, and Regulatory Requirements**

5. Within 30 days of this Agreement, the Bank shall submit a written report to the Reserve Bank confirming how and when it corrected:

(a) all violations of laws and regulations reported in the June 10, 2013 Consumer Affairs Report of Examination and the specific steps taken to ensure that each violation is not repeated; and

(b) all areas of consumer compliance operations where the Reserve Bank noted the Bank is in non-compliance or partial compliance, as reported in the June 10, 2013 Consumer Affairs Report of Examination, and the specific steps taken to ensure the Bank's future compliance in these areas.

### **Compliance with this Agreement**

6. Within 30 days after the end of each calendar quarter following the date of this Agreement, the Bank shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement and the results thereof.

### **Approval and Implementation of Written Procedures**

7. (a) The Bank will submit written plans and programs that are acceptable to the Reserve Bank within the applicable time periods stated in paragraphs 2, 3, and 4, of this Agreement. The Bank shall retain a consultant that is acceptable to the Reserve Bank within the time period set forth in paragraph 1.

(b) Within 10 days of approval by the Reserve Bank, the Bank will adopt the approved written plans and programs. Upon adoption, the Bank will implement the approved written plans and programs and thereafter fully comply with them.

(c) During the term of this Agreement, the approved plans and programs shall not be amended or rescinded without the prior written approval of the Reserve Bank.

### **Communications**

8. All communications regarding this Agreement shall be sent to:

- (a) Mr. Juan C. Sanchez  
Vice President  
Federal Reserve Bank of Atlanta  
1000 Peachtree Street N.E.  
Atlanta, Georgia 30309
  
- (b) Mr. J. C. Petry  
President and Chief Executive Officer  
Bank of Gueydan  
111 Main Street  
Gueydan, Louisiana 70542

### **Miscellaneous**

9. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to the Bank to comply with any provision of this Agreement.

10. The provisions of this Agreement shall be binding upon the Bank and its institution-affiliated parties, as defined in section 3(u) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. § 1813(u)), in their capacities as such, and their successors and assigns.

11. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

12. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting the Bank or any of its current or former institution-affiliated parties and their successors and assigns.

13. Pursuant to section 50 of the FDI Act (12 U.S.C. §1831aa), this Written Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 12<sup>th</sup> day of August, 2014.

Bank of Gueydan

Federal Reserve Bank of Atlanta

By: /s/ J. C. Petry  
J. C. Petry  
President and Chief Executive Officer

By: /s/ Juan C. Sanchez  
Juan C. Sanchez  
Vice President