

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

and

OKLAHOMA STATE BANKING DEPARTMENT
OKLAHOMA CITY, OKLAHOMA

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In the Matter of)	
)	
BANK OF VICI)	CONSENT ORDER
VICI, OKLAHOMA)	
)	
)	FDIC-24-0094b
)	OSBD-24-C&D-4
(Insured State Nonmember Bank))	
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_____)	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for BANK OF VICI, VICI, OKLAHOMA (“Bank”), under 12 U.S.C. § 1813(q).

The Oklahoma State Banking Department (“State”) is the appropriate state banking agency for the Bank, pursuant to Oklahoma law under the Oklahoma Banking Code, Title 6 Okla. Stat. § 101 *et seq.* (the “Code”).

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”) with counsel for the FDIC and a representative of the State dated December 17, 2024, whereby, solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and violations of law and/or regulations, the Bank consented to the issuance of a CONSENT ORDER (“ORDER”) by the FDIC and the State.

The FDIC and the State considered the matter and determined that they had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws and/or regulations. Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and section 204(B) of the Code, Okla. Stat. tit. 6, § 204(B), and the provisions

of the Oklahoma Administrative Procedures Act, Title 75 Okla. Stat. § 250 *et seq.*, have been satisfied, the FDIC and the State hereby order that:

CAPITAL MAINTENANCE

1. (a) While this ORDER is in effect, the Bank, after establishing an Allowance for Credit Losses (ACL), shall maintain its Tier 1 Leverage Capital ratio equal to or greater than 10 percent of the Bank's Average Total Assets; and shall maintain its Total Risk-Based Capital ratio equal to or greater than 12 percent of the Bank's Total Risk Weighted Assets. For purposes of this ORDER, all terms relating to capital shall be calculated according to the methodology set forth in Part 324 of the FDIC Rules and Regulations, 12 C.F.R. Part 324.

(b) If any such capital ratios are less than the percentages required by this ORDER, as determined at an examination by the FDIC or the State, or any Call Report filed by the Bank, the Bank shall, within thirty (30) days after receipt of a written notice of the capital deficiency from the Regional Director and Commissioner, present to the Regional Director and Commissioner a plan to increase the Bank's Tier 1 Capital or to take other measures to bring all the capital ratios to the percentages required by this ORDER. After the Regional Director and Commissioner respond to the plan, the Bank's board of directors shall adopt the plan, including any modifications or amendments requested by the Regional Director and Commissioner.

BOARD SUPERVISION

2. (a) Within thirty (30) days from the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank by assuming full responsibility for the approval of the Bank's policies and objectives and for the supervision of the Bank's management, including all the Bank's activities. The Board's participation in the Bank's affairs shall include,

at a minimum, monthly meetings in which the following areas shall be reviewed and approved by the board:

- (1) reports of income and expenses;
- (2) new, overdue, renewed, insider, charged-off, delinquent, non-accrued, and recovered loans; and
- (3) investment activities; operating policies; and individual committee actions.

(b) The Board's minutes shall document its reviews and approvals, including the names of any dissenting directors.

MANAGEMENT AND STAFFING RESOURCES

3. (a) The Bank shall have and retain qualified management. Each member of management shall possess qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Within ninety (90) days from the effective date of this ORDER, the Board shall analyze and assess the Bank's management, staffing performance, and ensure that adequate personnel and resources are in place relative to the Bank's activities.

(b) The analysis and assessment shall be summarized in a written report ("Staffing Report"). At a minimum, the Staffing Report shall:

- (1) identify the type and number of officer positions needed to manage and supervise the affairs of the Bank, detail any vacancies or additional needs (giving appropriate consideration to the size, complexity, and strategic plan of the Bank), and address all

workload and staffing imbalances identified in the April 22, 2024 Report of Examination (the “2024 Report”);

- (2) present a clear and concise description of the relevant knowledge, skills, abilities, and experience necessary for each position
- (3) identify training and development needs; and
- (4) evaluate the current and past performance of all existing Bank officers, including executive officers and staff members, indicating whether the individuals are competent and qualified to perform present and anticipated duties, adhere to the Bank's established policies and practices, and operate the Bank in a safe and sound manner.

SUCCESSION PLANNING

4. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall develop and adopt an acceptable management succession plan (“Succession Plan”) that will provide for the orderly transfer of duties and responsibilities of senior management of the Bank. At a minimum, the Succession Plan shall:

- (1) Identify key executive positions to include, at a minimum, President, Anti-Money Laundering/Countering the Financing of Terrorism (“AML/CFT”) Officer, and Information Technology Manager;
- (2) Identify the current employee fulfilling the key position and the individual next in the line of succession; and

- (3) Outline the continuous training of individuals with the qualifications and abilities to manage the Bank if members of current senior management are unable to fulfil the duties of their positions

(b) Such written Succession Plan and any subsequent modification thereto shall be submitted to the Regional Director and Commissioner for review and comment. Within thirty (30) days from receipt of non-objection or any comments from the Regional Director and Commissioner, and after incorporation and adoption of all comments, the Bank's board of directors shall approve the written Succession Plan, which approval shall be recorded in the minutes of the Bank's board of directors. Thereafter, the Bank, its directors, officers, and employees shall follow the written Succession Plan and/or any subsequent modification.

INFORMATION TECHNOLOGY

5. (a) Within sixty (60) days after the effective date of this ORDER, the Bank shall prepare a written assessment of its Information Technology systems ("IT Plan"). This assessment shall address the findings of the 2024 Report with respect to Information Technology systems and shall include the Bank's proposed corrective measures. The Bank's board of directors shall review, approve, and submit its written assessment to the Regional Director and Commissioner for review and comment. Within thirty (30) days after receipt of the Regional Director's and Commissioner's comments on the written assessment, the Bank shall adopt and implement all corrective measures detailed in the assessment.

**ANTI-MONEY LAUNDERING/COUNTERING
THE FINANCING OF TERRORISM PROGRAM**

6. (a) Within sixty (60) days from the effective date of this ORDER, the Board shall assess the resources needed to oversee Anti-Money Laundering/Countering the Financing of Terrorism (“AML/CFT”) functions at the Bank, and provide for the designation of a qualified individual or individuals, with experience and training, responsible for coordinating and monitoring day-to-day compliance with the AML/CFT program (“AML/CFT Officer”) pursuant to Section 326.8 of the FDIC’s Rules and Regulations (12 C.F.R. § 326.8). This officer shall:

- (1) Have sufficient executive authority to monitor and ensure compliance with the applicable rules and regulations;
- (2) Report directly to the board of directors;
- (3) Be responsible for assuring the proper filing of Currency Transaction Reports and Suspicious Activity Reports; and
- (4) Provide monthly comprehensive written reports regarding the status of the AML/CFT program to the board of directors.

(b) The Bank shall establish procedures to ensure AML/CFT training for appropriate personnel and monitor and ensure that such training is completed on a regular basis.

(c) Within ninety (90) days of the effective date of this ORDER, the Bank shall address the deficiencies and weaknesses relating to its AML/CFT program identified in the 2024 Report.

CLASSIFIED ASSETS - CHARGE-OFF AND PLAN FOR REDUCTION

7. (a) Within thirty (30) days after the effective date of this ORDER, the Bank shall, to the extent that it has not previously done so, eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss and one-half of the assets classified

Doubtful by the FDIC or the State in the 2024 Report. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered “collection” for the purpose of this paragraph. While this ORDER is in effect, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss as determined at any future examination conducted by the FDIC or the State.

(b) Within sixty (60) days after the effective date of this ORDER, the Bank shall submit a written Classified Asset Reduction Plan to the Regional Director and the Commissioner to reduce the remaining assets classified Doubtful and Substandard State in the 2024 Report.

The Classified Asset Reduction Plan shall, at a minimum:

- (1) Review the financial position of each such borrower, including the source of repayment, repayment ability, and alternate repayment sources; and
- (2) Evaluate the available collateral for each such credit, including possible actions to improve the Bank’s collateral position.

(c) In addition, the Bank’s Classified Asset Reduction Plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the plan shall contain a provision requiring the submission of monthly progress reports to the Bank’s board of directors and a provision mandating a review by the Bank’s board of directors.

(d) For purposes of the Classified Asset Reduction Plan, the reduction of adversely classified assets identified in the 2024 Report shall be detailed using quarterly targets expressed as a percentage of the Bank’s Tier 1 Capital plus the Bank’s Allowance for Credit Losses and may be accomplished by:

- (1) Charge-off;
- (2) Collection;
- (3) Sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the FDIC or the State; or
- (4) Increase in the Bank's Tier 1 Capital.

LOAN POLICY

8. (a) Within ninety (90) days after the effective date of this ORDER, and annually thereafter, the board of directors of the Bank shall review the Bank's loan policy and procedures ("Loan Policy") for effectiveness and, based upon this review, shall make all necessary revisions to the Loan Policy in order to strengthen the Bank's lending procedures and abate additional loan deterioration.

(b) The initial revisions to the Loan Policy required by this paragraph, shall include, at a minimum, provisions:

- (1) Establishing review and monitoring procedures to ensure that all lending personnel are adhering to established lending procedures and that the directorate is receiving timely and fully documented reports on loan activity, including any deviations from established policy;
- (2) Requiring all extensions of credit originated or renewed by the Bank be supported by credit memoranda; current credit information and collateral documentation, including lien searches and the perfection of security interests; have a defined and stated purpose; and have a

predetermined and realistic repayment source and schedule. Credit information and collateral documentation shall include current financial information, profit and loss statements or copies of tax returns, and cash flow projections, and shall be maintained throughout the term of the loan; and

- (3) Incorporating collateral valuation requirements, including:
 - a. Maximum loan-to-collateral-value limitations;
 - b. A requirement that the valuation be completed prior to a commitment to lend funds;
 - c. A requirement for periodic updating of valuations; and
 - d. A requirement that the source of valuations be documented in Bank records.

ALLOWANCE FOR CREDIT LOSSES

9. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall develop a comprehensive policy and methodology for determining the Allowance for Credit Losses (“ACL Policy”). The ACL Policy shall provide for a review of the ACL at least once each calendar quarter, which shall be completed within seven (7) days of the end of each calendar quarter.

(b) Such ACL reviews conducted pursuant to the ACL Policy shall include, at a minimum:

- (1) the Bank's loan loss experience;
- (2) an estimate of the potential loss exposure in the portfolio; and

(3) trends of delinquent and nonaccrual loans and prevailing and prospective economic conditions.

(c) The minutes of the Board meetings at which such ACL reviews are undertaken shall include complete details of the reviews and the resulting recommended adjustment in the ACL. The Board shall document in the minutes the basis for any determination not to require provisions for loan losses in accordance with subparagraphs (a) and (b).

(d) A deficiency in the ACL shall be remedied in the calendar quarter in which it is discovered by a charge to current operating earnings prior to any Tier 1 Capital determinations required by this ORDER and prior to the Bank's submission of its Call Report. The Bank shall thereafter maintain an appropriate ACL.

LOAN REVIEW PROGRAM

10. Within sixty (60) days from this ORDER's effective date, the Board must develop a written loan review program ("Loan Review Program") that provides for a periodic and independent review of the loan portfolio, credit risk management practices, and the accuracy of loan risk ratings. The Loan Review Program should have sufficient loan penetration ratio and scope to make a determination of the adequacy of credit underwriting and administrative practices. The Loan Review Program must require written reports to the Board after each review. The Board's minutes must include a copy of each report submitted to the Board, documentation of the Bank's actions, recommendations that address identified deficiencies, and any resulting determinations.

FUNDS MANAGEMENT

11. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall develop and implement policies to strengthen the Bank's funds management procedures ("Funds Management Procedures"). The Funds Management Procedures shall include provisions that require, at a minimum:

- (1) Quarterly pro-forma cash flow analysis with 30-, 60-, and 90-day projections;
- (2) Annual stress test;
- (3) Obtain annual independent review of the liquidity program; and
- (5) Ensure that funds management reports are provided to the board at least quarterly, and the minutes should reflect the review and approval of the reports.

INTEREST RATE RISK

12. (a) Within sixty (60) days after the effective date of the ORDER, the Bank shall develop, adopt, and implement interest rate risk policy and procedures ("Interest Rate Risk Policy") that shall include, at a minimum:

- (1) Measures designed to control the nature and amount of interest rate risk the Bank takes including those that specify risk limits and defines lines of responsibilities and authority for managing risk;
- (2) A system for identifying and measuring interest rate risk;
- (3) A system for monitoring and reporting risk exposures, which reports shall be submitted to the Board on a quarterly basis and documented in Board minutes; and

- (4) A system of internal controls and annual independent review to ensure the integrity of the overall risk management process.

STRATEGIC PLANNING

13. (a) Within ninety (90) days after the effective date of this ORDER, the Bank shall prepare and adopt a comprehensive strategic plan (“Strategic Plan”). The Strategic Plan required by this paragraph shall contain an assessment of the Bank’s current financial condition and market area, and a description of the operating assumptions that form the basis for major projected income and expense components.

(b) The written Strategic Plan shall address, at a minimum:

- (1) Goals for reducing problem loans;
- (2) Plans for attracting and retaining qualified individuals to fill any identified vacancies;
- (3) Financial goals, including pro forma statements for asset growth, liquidity levels, capital adequacy, and earnings; and
- (4) Short- and long-term goals (at a minimum of three years) and planned changes for Information Technology (“IT”) products and services; allocations of IT resources, including budgets needed to achieve the goals; end-of-life and end-of-support relating to IT products and services; licensing renewals relating to IT products and services; and replacement of services and network equipment.

(c) The Strategic Plan and any subsequent modification thereto shall be submitted to the Regional Director and Commissioner for review and comment. Within thirty (30) days from receipt of non-objection or any comments from the Regional Director and

Commissioner, and after incorporation and adoption of all comments, the Bank's board of directors shall approve the revised written Strategic Plan, which approval shall be recorded in the minutes of the Bank's board of directors. Thereafter, the Bank, its directors, officers, and employees shall follow the written Strategic Plan and/or any subsequent modification.

(d) Within thirty (30) days after the end of each calendar quarter following the effective date of this ORDER, the Board shall evaluate the Bank's performance in relation to the Strategic Plan required by this paragraph and record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken.

BUDGET/PROFIT PLAN

14. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and Commissioner for non-objection a written profit plan and a realistic, comprehensive budget ("Budget and Profit Plan") for all categories of income and expense for calendar year 2025. The Budget and Profit Plan required by this paragraph shall contain formal goals and strategies, be consistent with sound banking practices, reduce discretionary expenses, improve the Bank's overall earnings and net interest income, and shall contain a description of the operating assumptions that form the basis for major projected income and expense components.

(b) A written Budget and Profit Plan shall be prepared for each calendar year for which this ORDER is in effect and shall be submitted to the Regional Director and Commissioner for non-objection within thirty (30) days after the beginning of each year. Within thirty (30) days after receipt of the Regional Director's and Commissioner's non-objection, the Bank shall approve the Budget and Profit Plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement and follow the Budget and

Profit Plan.

CORRECTION OF VIOLATIONS

15. Within ninety (90) days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulation noted in the 2024 Report. The Bank shall implement procedures to ensure future compliance with all applicable laws and regulations.

DIVIDEND RESTRICTION

16. As of the effective date of this ORDER, the Bank shall not declare or pay any cash dividend without the prior written consent of the Regional Director and Commissioner. Written requests for such approval shall be submitted at least thirty (30) days prior to the anticipated dividend declaration date.

PROGRESS REPORTS

17. Within thirty (30) days after the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Regional Director and Commissioner written progress reports signed by each member of the Board, detailing the actions taken to secure compliance with the ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and Commissioner have released, in writing, the Bank from making further reports.

DISCLOSURE TO SHAREHOLDERS

18. Within thirty (30) days from 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 parent holding company. The description shall fully describe this ORDER in all material respects.

BINDING EFFECT

19. The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, State, 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, as that term is defined in Section 3(u) of the FDI Act, 12 U.S.C. § 1813(u).

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 Regional Director and Commissioner.

Issued Pursuant to Delegated Authority.

Dated this 26th day of December, 2024.

/s/

J. Mark Love
Deputy Regional Director
Division of Risk Management Supervision
Federal Deposit Insurance Corporation

/s/

Mick Thompson
Commissioner
Oklahoma State Banking Department