

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS

SAN FRANCISCO, CALIFORNIA

	)	
In the Matter of	)	
	)	
MIZRAHI TEFAHOT BANK, LTD.	)	ORDER TO PAY
LOS ANGELES, CALIFORNIA	)	CIVIL MONEY PENALTY
	)	
	)	FDIC-10-549k
(INSURED STATE NONMEMBER BANK)	)	
	)	
	)	

Mizrahi Tefahot Bank, Ltd., Los Angeles, California (“Bank”), having been advised of its right to a Notice of Charges and of Hearing detailing the violations of law alleged to have been committed by the Bank and its right to a hearing on those charges under 12 U.S.C. § 1818(i), and its rights under Section 216.3 of the California Financial Code, and having waived those rights, entered into a Stipulation and Consent to the Issuance of an Order to Pay Civil Money Penalty (“Consent Agreement”) dated November 23, 2010, with counsel for the Federal Deposit Insurance Corporation (“FDIC”) and counsel for the Department of Financial Institutions (“DFI”), whereby, solely for the purpose of this proceeding and without admitting or denying any violation of law, the Bank consented to the issuance of this Order to Pay Civil Money Penalty (“Order”) by the FDIC and the DFI.

The FDIC and the DFI considered the matter and determined that it has reason to believe that the Bank committed violations of law, including, but not limited to violations of the Bank Secrecy Act, 31 U.S.C. § 531 et seq. (“BSA”) and 12 C.F.R. § 326.8. In particular, the FDIC

and DFI have reason to believe that from at least 2007 through 2009, the Bank lacked an adequate program to monitor, analyze, and report suspicious activity. In addition, the FDIC and the DFI have determined that the Bank had failed to comply with the August 27, 2008 Consent Order issued by the FDIC and the DFI.

The FDIC and the DFI, therefore, accept the Consent Agreement and issue the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS ORDERED THAT, after consideration of the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity of the violations, the history of previous violations, and such other matters as justice may require, pursuant to 12 U.S.C. § 1818(i)(2) and Financial Code Section 216.3, the Bank pay a civil money penalty of Three Hundred and Fifty Thousand (\$350,000) dollars within fifteen (15) days of the effective date of this Order. The assessment shall be satisfied by one payment in the amount of \$175,000 to the Treasury of the United States, and one payment in the amount of \$175,000 to the California Department of Financial Institutions.

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 and the DFI.

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Pursuant to delegated authority.

Dated at Washington, D.C., this 31st day of January, 2011.

/s/

Serena L. Owens
Associate Director
Division of Supervision and Consumer Protection

/s/

William S. Haraf
Commissioner
California Department of Financial Institutions