FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

and

LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA

In the Matter of	)	CONSENT ORDER
THE EVANGELINE BANK AND TRUST COMPANY VILLE PLATTE, LOUISIANA	)	FDIC-15-0295b
	)	OFI-2015-01
(INSURED STATE NONMEMBER BANK)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for THE EVANGELINE BANK AND TRUST COMPANY, VILLE PLATTE, LOUISIANA, ("Bank"), under section 3(q) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q).

The Louisiana Office of Financial Institutions ("OFI") is the state regulator for the Bank pursuant to Louisiana Law, including the Louisiana Banking Law, LA. REV. STAT. ANN. § 6:1 et seq., and especially LA. REV. STAT. ANN. § 6:101.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER" ("CONSENT AGREEMENT"), dated February 2nd, 2016, that is accepted by the FDIC and the OFI. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law relating to the Bank Secrecy Act ("BSA"), 31 U.S.C. § 5311 *et. seq*. and the USA PATRIOT Act of 2001, 115 Stat. 272 (Public Law 107-56-Oct. 26, 2001), to the issuance of this Consent Order ("ORDER") by the FDIC and the OFI.

Having determined that the requirements for issuance of an order under section 8(b) of the Act, 12 U.S.C. § 1818(b) has been satisfied, the FDIC and the OFI hereby orders that:

CONSENT ORDER COMPLIANCE COMMITTEE

1. **Within 10 days** after the effective date of the ORDER, the Bank's Board shall establish a subcommittee of the Bank's Board charged with the responsibility of ensuring that the Bank complies with provisions of this ORDER ("Consent Order Compliance Committee") consisting of at least three members to oversee the Bank's compliance with the ORDER. A majority of the Consent Order Compliance Committee shall consist of outside directors. The Consent Order Compliance Committee shall formulate and review monthly reports detailing the Bank's actions with respect to compliance with this ORDER and shall meet on a regular basis, not less than monthly. The Consent Order Compliance Committee shall present a report detailing the Bank's adherence to this ORDER to the Board at each regularly scheduled Board meeting. 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 meeting. Nothing contained herein shall diminish the responsibility of the entire Bank's Board to ensure compliance with the provisions of this ORDER.

BSA COMPLIANCE PLAN

2. **Within 30 days** from the effective date of this ORDER, the Board shall develop a written BSA Compliance Plan, including policies and procedures, which fully meets all applicable requirements of Section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. §

326.8, addresses the deficiencies and recommendations outlined within the July, 20, 2015, Report of Examination ("Report"), and which is designed to, among other things, ensure and maintain full compliance with the BSA and the rules and regulations issued pursuant thereto. The BSA Compliance Plan will also ensure and maintain full compliance with all anti-money laundering ("AML") laws, regulations, and rules and those relating to the Office of Foreign Asset Control ("OFAC"). The Board shall submit the BSA Compliance Plan to the FDIC Dallas Regional Office Regional Director ("Regional Director") and the Commissioner of the OFI ("Commissioner") for non-objection or comment. Within 30 days of receipt of the Regional Director's and Commissioner's non-objection or comments and after incorporation and adoption of all comments, the Board shall approve the BSA Compliance Program, which approval shall be recorded in the minutes of the Board meeting. Within 30 days of such Board approval, the executive management team shall implement and fully comply with the BSA Compliance Plan in a manner acceptable to the Regional Director and Commissioner, as determined at subsequent examinations or visitations of the Bank.

BSA OFFICER / STAFFING

3. The Board shall appoint a qualified individual or individuals responsible for coordinating and monitoring day-to-day compliance with the BSA pursuant to Section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8 ("BSA Officer"). The adequacy of the BSA Officer shall be reviewed by the Regional Director and Commissioner based on subsequent examinations or visitations of the Bank. In addition, the Board shall analyze and assess staffing needs in order to provide for an adequate number of qualified staff for the Bank's BSA Department. The BSA Department staff shall be evaluated to determine ability, experience, training, and other necessary qualifications to perform current and anticipated duties, including

adherence to the Bank's BSA Compliance Plan, requirements of BSA regulations, and provisions of this ORDER.

The BSA Officer shall:

(a) Have sufficient executive authority and staff to monitor and ensure compliance with the BSA and its implementing rules and regulations;

(b) Be responsible for supervising such staff in complying with the BSA and its implementing rules and regulations;

(c) Report to the Bank's Consent Order Compliance Committee on a regular basis, not less than monthly, with respect to any BSA/AML matters during the Consent Order;

(d) Be responsible for assuring the proper filing of Currency Transaction Reports ("CTRs") and Suspicious Activity Reports ("SARs");

(e) Monitor all banking products and services for BSA/AML compliance including but not limited to cash transactions, wire transactions, remote deposit capture, privately-owned automated teller machines, and monetary instruments; and

(f) Ensure that all CTR exemptions are provided and the monitoring and reviewing of all accounts with CTR exemptions are conducted pursuant to 31 CFR § 1020.315.

The BSA Officer shall provide monthly comprehensive written reports to the Bank's Consent Order Compliance Committee regarding the Bank's adherence to the Bank's BSA Compliance Plan described above and this ORDER.

BSA TRAINING

4. **Within 60 days** from the effective date of this ORDER, the Bank shall develop an effective BSA training program ("BSA Training Program") for directors, management and staff on all relevant aspects of laws, regulations, and Bank policies and procedures relating to the Bank's BSA Compliance Plan. The BSA Training Program shall ensure that all appropriate personnel are aware of and can comply with the requirement of the BSA and its implementing rules and regulations, including the currency and suspicious activity reporting requirements and monetary instrument recordkeeping requirements, as well as all applicable USA PATRIOT Act and OFAC requirements. The BSA Training Program shall include the following:

(a) Bank-specific BSA policies and procedures and new rules and requirements as they arise;

(b) A requirement that employees receive additional training commensurate with the higher risk products and services they administer, monitor, or supervise;

(c) A requirement that the Board fully document the BSA training of each Bank employee, officer and director, including the additional training provided to the designated BSA Compliance Officer; and

(d) A requirement that BSA training shall be conducted no less frequently than annually.

INTERNAL CONTROLS

5. The system of internal controls shall provide, at a minimum:

(a) Procedures and processes for conducting a risk-based assessment of the Bank's customer base to identify the categories of customers whose transactions and banking activities are routine and usual; and determine the appropriate level of enhanced due diligence necessary for those categories of customers whose transactions and banking activities are not routine and/or usual ("High-risk Accounts");

(b) Policies, procedures, and processes with respect to High-risk Accounts and customers identified through the risk assessment conducted pursuant to paragraph 6(a), including the adoption of adequate methods for conducting Enhanced Due Diligence ("EDD") on High-risk Accounts including customer relationships with Privately-Owned Automated Teller Machines, Remote Deposit Capture, Non-Cash Purchases of Monetary Instruments, Wire Transfers, and related activity at account opening and on an ongoing basis, and for monitoring client relationships on a transaction basis, as well as by account and customer;

(c) Policies, procedures, processes, and systems for identifying, evaluating, monitoring, investigating, and reporting suspicious activity in the Bank's products, accounts, customers, services, and geographic areas, including but not limited to:

(1) Establishment of meaningful rules and thresholds for identifying accounts and customers for further monitoring, review, and analyses and the validation of the rules and thresholds;

(2) Periodic testing and monitoring of rules and thresholds for their appropriateness to the Bank's products, customers, accounts, services, and geographic areas;

(3) Review of existing systems to ensure adequate referral of information about potentially suspicious activity through appropriate levels of management, including a policy for determining action to be taken in the event of multiple filings of SARs on the same customer, or in the event a correspondent or

other customer fails to provide due diligence information. Such procedures shall describe the circumstances under which an account should be closed and the processes and procedures to be followed in doing so;

(4) Procedures, processes, and systems for each business area of the Bank to produce periodic reports designed to identify unusual or suspicious activity, to monitor and evaluate unusual or suspicious activity, and to maintain accurate information needed to produce these reports with the following features:

a. The Bank's procedures and/or systems should be able to identify related accounts, countries of origin and destination for any funds transfer, location of the customer's businesses and residences to evaluate patterns of activity; and

b. The periodic reports should cover a broad range of time frames, as appropriate, and should segregate transactions that pose a greater than normal risk for non-compliance with the BSA;

(5) Documentation of management's decisions to file or not to file a SAR; and

(6) Systems to ensure the timely, accurate, and complete filing of required SARs and any other similar or related reports required by law.

(d) Procedures and processes to ensure customers and transactions are being compared to current OFAC listings; and

(e) Policies, procedures, and processes for transactions involving non-customers, including, but not limited to, wire transfer services, official check services, and foreign exchange services.

CUSTOMER DUE DILIGENCE

6. **Within 60 days** from the effective date of this ORDER, the Bank shall develop, adopt, and implement a written Customer Due Diligence ("CDD") Program as part of the system for internal controls. The CDD 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 minimum, the CDD Program shall also specifically provide for:

(a) A risk-based assessment of the Bank's customer base to determine the appropriate level of ongoing monitoring required to assure that the Bank can reasonably detect suspicious activity and determine which customers require EDD necessary for those categories of customers the Bank has reason to believe pose a heightened risk of suspicious activity including, but not limited to, High-risk Accounts such as relationships with Privately-Owned Automated Teller Machines, Remote Deposit Capture, Non-Cash Purchases of Monetary Instruments, Wire Transfers, and related activity.

(b) Risk rating of the Bank's customers, specifically including High-risk Accounts based on the potential risk for money laundering, terrorist financing, human trafficking, fraud, or other illicit activity posed by the customer's activities, with consideration given to the purpose of the account, the anticipated type and volume of account activity, types of products and services offered, and locations and markets served by the customer;

(c) Obtaining, analyzing, and maintaining sufficient customer information necessary to allow effective suspicious activity monitoring, including documentation of normal and expected transactions of the customer;

(d) Guidelines for documenting the analysis conducted under the CDD process, including guidance for resolving issues when insufficient or inaccurate information is obtained;

(e) Monitoring procedures required for each customer category under the BSA/AML risk ratings;

(f) Guidelines to reasonably assure the identification and timely, accurate reporting of known or suspected criminal activity, as required by the suspicious activity reporting provisions of Part 353 of the FDIC Rules and Regulations ("FDIC Rules"), 12 C.F.R. § 353; and

(g) Periodic, risk-based monitoring of customer relationships to determine whether the original risk profile remains accurate.

SUSPICIOUS ACTIVITY MONITORING AND REPORTING

7. **Within 60 days** from the effective date of this ORDER, the Bank shall develop, adopt, and implement a revised written SAR program for monitoring and reporting suspicious activity, which fully meets all applicable requirements of Part 353 of the FDIC Rules, 12 C.F.R. § 353. The SAR program shall at minimum:

(a) Establish and implement revised procedures to require that the Board is advised of all SARs.

(b) Establish and implement revised procedures to ensure that SARs are filed within 30 days of identifying a suspect or unusual and suspicious activity (or a total of 60 days if a suspect is unknown, or once per quarter for ongoing transactions). Such procedures shall describe the circumstances under which an account should be closed and the processes and procedures to be followed in closing accounts.

(c) Establish and implement revised procedures to comprehensively monitor all products and services and monitor such activity for potentially suspicious or unusual activity. The SAR program shall include adequate processes to ensure the capture of transactions performed at all departments of the Bank capable of conducting such activity, both individually and in aggregate. The SAR program shall include adequate processes to generate alerts for suspicious activity, investigate alerts, and documents all decisions to file or not file a SAR. The SAR program also shall be tested for accuracy and completeness through independent testing immediately after its implementation and thereafter at least annually. Documentation of the testing shall be provided to the Consent Order Compliance Committee and documented in the committee's meeting minutes. Such documentation shall also be available to FDIC and OFI examiners upon request.

INDEPENDENT TESTING

8. (a) Independent testing for compliance by the Bank with the BSA and its implementing rules and regulations shall be conducted by either:

(1) A qualified outside party with the requisite ability to perform such testing and analysis, or

(2) Qualified Bank personnel independent of the BSA function.

(b) During the term of this ORDER, such testing shall be done on an annual basis. The independent testing shall, at a minimum:

(1) Transaction Test the Bank's internal procedures for monitoring compliance with the BSA and its implementing rules and regulations;

(2) Sample large currency transactions followed by a review of the CTR filings;

(3) Transaction Test the validity and reasonableness of the CTR exemptions granted by the Bank and the annual review of accounts with CTR exemptions;

(4) Transaction Test the Bank's recordkeeping system for compliance with the BSA and its implementing rules and regulations, including, but not limited to:

a. Testing to ensure all reportable transactions have been identified and all CTRs and SARs have been filed;

b. Testing to ensure Bank personnel are reviewing all applicable reports, including monitoring reports for structuring activities; and

c. Testing to ensure compliance with OFAC provisions.

(5) Test the Bank's Customer Identification Program procedures;

(6) Test the adequacy of the Bank's Training Program; and

(7) Document the scope of the testing procedures performed and the findings of the testing. The results of each independent test, as

well as any apparent exceptions noted during the testing, shall be presented to the Bank's Board. The Bank's Board shall record the steps taken to correct any exceptions noted and address any recommendations made during each independent test in the minutes of the meeting.

LOOK BACK REVIEW

9. (a) **Within 60 days** from the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and Commissioner a written Look Back Review Plan ("Look Back Review Plan") detailing how it will conduct a review of transactions from August 1, 2014 through September 30, 2015, to determine whether suspicious activity was properly identified and reported in accordance with the applicable suspicious activity reporting requirements.

(b) The Look Back Review Plan, and any subsequent contract or engagement letter entered into with a consultant performing the Look Back Review, shall include, at a minimum:

(1) The scope of the Look Back Review, which shall specify the types of accounts and transactions to be reviewed, including the Bank's High-risk Account customers;

(2) The methodology for conducting the Look Back Review;

(3) The resources and expertise to be dedicated to the Look Back Review;

(4) The anticipated date of completion of the Look Back Review;

(5) A provision for unrestricted examiner access to any third-party

work papers;

(6) A provision requiring the filing of a SAR for all suspicious activity identified during the Look Back Review; and

(7) A provision that the findings from the Look Back Review will be presented directly to the Bank's Board, the FDIC, and the OFI.

(c) The Look Back Review Plan shall be submitted to the Regional Director and Commissioner for review and comment prior to implementation. The Regional Director and Commissioner shall provide a response on the Look Back Review Plan within 30 days of receipt thereof, unless the Regional Director and Commissioner notifies the Bank, in writing, that a longer period will apply. Within 10 days of receipt of a response from the Regional Director and Commissioner, the Board shall adopt the changes recommended by the Regional Director and Commissioner, approve the Look Back Review Plan, and record its approval and adoption in the minutes of the Board's meeting at which approved.

VIOLATIONS OF LAW AND REGULATIONS

10. (a) **Within 45 days** after the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulation noted in the July 20, 2015, Report.

(b) **Within 45 days** after the effective date of this ORDER, the Bank shall implement procedures, policies, and processes to ensure future compliance with all applicable laws and regulations.

SHAREHOLDER NOTIFICATION

11. 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 submitted to the FDIC - Accounting and Securities Disclosure Section, 550 17th Street, N.W., 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.

PROGRESS REPORTS

12. **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 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 and Commissioner have released the Bank in writing from making additional reports.

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

Dated: February 4th, 2016

By:

/s/
Kristie K. Elmquist
Regional Director
Division of Supervision and Consumer Protection
Federal Deposit Insurance Corporation

/s/
John Ducrest
Commissioner
Louisiana Office of Financial Institutions