

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____ )	NOTICE OF PROHIBITION
In the Matter of: )	FROM FURTHER
PATRICIA A. AMADOR, individually and as )	PARTICIPATION, NOTICE OF
an institution-affiliated party of )	ASSESSMENT OF
PAN AMERICAN BANK, )	CIVIL MONEY PENALTIES,
LOS ANGELES, CALIFORNIA )	FINDINGS OF FACT AND
)	CONCLUSIONS OF LAW,
(INSURED STATE NONMEMBER BANK) )	ORDER TO PAY, and NOTICE
_____ )	OF HEARING
)	FDIC-13-052e
)	FDIC-13-0235k
)	

The Federal Deposit Insurance Corporation ("FDIC"), has determined that Patricia A. Amador ("Respondent" or "Amador"), as an institution-affiliated party of Pan American Bank, Los Angeles, California ("Bank"), has directly or indirectly participated or engaged in unsafe or unsound banking practices, and/or acts, omissions or practices which constitute breaches of her fiduciary duty as an officer of the Bank; that the Bank has suffered financial loss or other damage, that the interests of its depositors have been prejudiced or could be prejudiced and/or that the Respondent has received financial gain or other benefit by reason of such practices and/or breaches of fiduciary duty; and that such practices and/or breaches of fiduciary duty demonstrate the Respondent's personal dishonesty and/or her willful or continuing disregard for the safety or soundness of the Bank.

Further, the FDIC has determined that Respondent's unsafe or unsound practices and/or breaches of her fiduciary duty were part of a pattern of misconduct and/or caused or are likely to

cause more than a minimal loss to the Bank and/or resulted in pecuniary gain or other benefit to the Respondent.

The FDIC, therefore, institutes this proceeding for the purpose of determining whether an appropriate order should be issued against the Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(e), prohibiting the Respondent from further participation in the conduct of the affairs of the Bank, and any other insured depository institution or organization listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such other appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D).

Further, the FDIC institutes this proceeding for the assessment of civil money penalties pursuant to the provisions of section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B).

The FDIC hereby issues this NOTICE OF PROHIBITION FROM FURTHER PARTICIPATION ("NOTICE TO PROHIBIT") pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e) and this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, and NOTICE OF HEARING ("NOTICE OF ASSESSMENT") pursuant to section 8(i) of the Act, 12 U.S.C. § 1818(i), and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, and alleges as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Preliminary Allegations

1. At all times pertinent to this proceeding, the Bank was a corporation existing and doing business under the laws of the State of California, having its principal place of business at Los Angeles, California.

2. The Bank was, at all times pertinent to this proceeding, an insured State nonmember bank, subject to the Act, 12 U.S.C. §§ 1811-1831aa, the Rules and Regulations of the FDIC, 12 C.F.R. Chapter III; and the laws of the State of California.

3. On or about September 20, 2007, the Respondent became employed as a senior loan officer of the Bank and continued to serve in that capacity at all times pertinent to the charges herein.

4. Respondent was subsequently terminated on June 17, 2011.

5. At all times pertinent to the charges herein, the Respondent was an "institution-affiliated party" as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of sections 8(e)(7), 8(i) and 8(j) of the Act, 12 U.S.C. §§ 1818(e)(7), 1818(i) and 1818(j).

6. The FDIC has jurisdiction over the Bank, the Respondent and the subject matter of this proceeding.

**B. Underwriting Used Automobile Loans**

7. At all times relevant, Amador was the Bank's senior loan officer responsible for the origination and underwriting of pre-owned automobile loans ("used car loans").

8. Amador was responsible for recommending qualified borrowers and for assuring the completeness and accuracy of loan documentation prior to making a recommendation to the Bank's Chief Executive Officer ("CEO") for approval of the used car loans.

9. Amador had no authority to approve loans or to direct the disbursement of loan funds of the Bank without the prior written approval of the Bank's CEO.

10. Amador's responsibilities in underwriting each of the used car loans in a safe and sound manner required that she complete, at a minimum, the following tasks:

- a. Gather and confirm the accuracy of transactional, financial, and personal information to document each potential loan;
- b. Accurately identify each potential borrower;
- c. Ensure the adequacy of the collateral for each proposed loan;
- d. Confirm the borrower's income, assets, and creditworthiness in order to confirm the borrower's capacity to repay the loan as agreed; and
- e. Adhere to and comply with the Bank's loan policies.

11. The FDIC reviewed a sample of 21 used car loans from the used car loans that Amador underwrote between March 2010 and June 2011.

12. Within the sample, the FDIC found deficiencies in each of the 21 loans. Specifically, Amador failed to fulfill her duties as a senior loan officer for each of the 21 loans as follows:

- a. Amador failed to underwrite the used car loan(s) in a manner that would reasonably assure that the borrower would repay;
- b. Amador failed to ensure that, in the event that the borrower failed to pay, that the Bank's interests would be adequately protected by the value of collateral taken for the loan(s);
- c. Amador failed to document the vehicle's sale price by obtaining a signed purchase contract;
- d. Amador failed to document and/or substantiate the borrower's down payments;
- e. Amador failed to independently verify borrower's income;

- f. Amador failed to directly and independently confirm the content and accuracy of the borrower's paystubs;
- g. Amador failed to detect that certain borrower paystubs were altered;
- h. Amador failed to establish that the Bank's collateral was unencumbered by prior liens;
- i. Amador failed to obtain the Bank CEO's prior written approval of the used car loans, and then caused the Bank to fund the unapproved loans;
- j. Amador failed to independently verify the collateral value of the financed vehicle(s);
- k. Amador failed to confirm borrower's identity; and/or
- l. Amador failed to follow applicable Bank loan policies relating to borrower qualifications and creditworthiness.

13. As a result of Amador's failure to fulfill her duties to prudently underwrite the used car loans in a safe and sound manner, as alleged above, and due to Amador's imprudent recommendations and/or directions for the Bank to fund used car loans, the Bank financed used car loans that it should not have.

14. At all relevant times Amador, as the Bank's sole senior loan officer, owed fiduciary duties of care and loyalty to the Bank.

15. Amador breached her fiduciary duties to the Bank by engaging in acts, omissions or practices, including the following:

- a. Amador failed to properly protect the interests of the Bank by accepting from used car dealers loan applications and documentation which she knew or should have known were inaccurate, incomplete and/or contained false information.
- b. Amador instructed a used car dealer to create a false loan application.

c. Amador improperly received personal gain from a borrower and/or used car dealers.

16. By reason of the foregoing, Amador engaged and/or participated in unsafe or unsound banking practices in connection with the Bank's used car loan program.

17. By reason of the foregoing, Amador breached her fiduciary duties of care and loyalty to the Bank.

18. Amador's misconduct resulted in losses to the Bank.

19. Amador's misconduct resulted in personal gain to her.

20. By reason of the foregoing, Amador engaged in acts of personal dishonesty.

C. Grounds for Section 8(e) Prohibition Order

21. As a result of the Respondent's foregoing acts, omissions and/or practices, the Respondent engaged and/or participated in unsafe or unsound banking practices in connection with the Bank.

22. As a result of the Respondent's foregoing acts, omissions and/or practices, the Respondent breached her fiduciary duties as an officer of the Bank.

23. By reason of the practices or breaches as specified in paragraphs 11 through 15, the Bank suffered financial loss or other damage in the approximate amount of \$223,000 due to losses on used car loans underwritten and/or recommended by Amador.

24. By reason of the violations, practices or breaches as specified in paragraphs 11 through 15, the Respondent also received financial gain or other benefit.

25. Respondent's acts, omissions and/or practices as set forth in paragraphs 11 through 15 evidence the Respondent's personal dishonesty and/or demonstrate a willful or continuing disregard for the safety or soundness of the Bank.

26. Further, as a result of the foregoing facts and conclusions, the Respondent's reckless unsafe or unsound practices and/or breaches of fiduciary duty caused more than a minimal loss to the Bank.

ORDER TO PAY

27. By reason of the reckless unsafe or unsound practices and/or breaches of fiduciary duty, which is part of a pattern of misconduct and/or caused more than minimal loss to the Bank and resulted in pecuniary gain to the Respondent as set forth in the foregoing paragraphs, the FDIC has concluded that a civil money penalty should be assessed against the Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. §1818(i)(2).

28. After taking into account the appropriateness of the penalties with respect to the size of financial resources and the good faith of the Respondent, the gravity of the reckless unsafe or unsound practices and/or breaches of fiduciary duty, the pattern of misconduct, and/or the more than minimal loss to the Bank and the pecuniary gain received by the Respondent, and such other matters as justice may require, it is:

ORDERED, that by reason of the reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth in paragraphs 11 through 15 hereof, a penalty of \$25,000 be, and hereby is, assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

IT IS FURTHER ORDERED, that, if Respondent requests a hearing with respect to the charges alleged in this NOTICE TO PROHIBIT and NOTICE OF ASSESSMENT, the hearing shall commence sixty (60) days from the date of receipt of this NOTICE TO PROHIBIT and NOTICE OF ASSESSMENT, at Los Angeles, California, or at such other date or place upon which the parties to this proceeding and the Administrative Law Judge may agree. The purpose of the hearing will be for the taking of evidence on the charges, findings and conclusions stated

herein in order to determine whether a permanent order should be issued to prohibit the Respondent from further participation in the conduct of the affairs of the Bank and any insured depository institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior permission of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D).

The hearing will be public, and in all respects conducted in accordance with the provisions of the Act, 12 U.S.C. §§ 1811-1834a, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The exact time and precise location of the hearing will be determined by the Administrative Law Judge.

In the event Respondent requests a hearing, Respondent is hereby directed to file an answer to this NOTICE TO PROHIBIT and NOTICE OF ASSESSMENT within 20 days from the date of service as provided by section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

An original and one copy of the answer, any such request for a hearing, and all other documents in this proceeding must be filed in writing with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, Virginia, 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.10. Also, copies of all papers filed in this proceeding shall be served upon the Executive Secretary Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; A. T. Dill III, Assistant General Counsel, Supervision Branch, Federal Deposit Insurance

Corporation, 550 17<sup>th</sup> Street, N.W., Washington, D.C. 20429; and upon Joseph J. Sano, Regional Counsel, San Francisco Regional Office, Federal Deposit Insurance Corporation, 25 Jessie Street at Ecker Square, Suite 1400, San Francisco, California 94105.

PRAYER FOR RELIEF

The FDIC prays for relief in the form of a final Order of Prohibition pursuant to 12 U.S.C. § 1818(e) and a final Order to Pay Civil Money Penalty pursuant to 12 U.S.C. § 1818(i) in the amount of \$25,000 against the Respondent.

Pursuant to delegated authority.

Dated at Washington, D.C., this 22<sup>nd</sup> day of October, 2013.

/s/  
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Christopher J. Newbury  
Associate Director  
Division of Risk Management Supervision