



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
October 11, 2011

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FDIC Issues Enforcement Actions Against Former Officers of the Failed United Commercial Bank, San Francisco, California

The Federal Deposit Insurance Corporation (FDIC) today announced that it is seeking to remove and prohibit from further participation in the banking industry ten former officers of United Commercial Bank, San Francisco, California. In addition, the FDIC has assessed civil money penalties totaling \$1,640,000. The agency also announced that it has issued consent removal and prohibition orders, as well as civil money penalties totaling \$87,500 against three former officers, who cooperated in the investigation.

The FDIC's charges allege that the bank's former management engaged in violations of law, unsafe or unsound practices, and breaches of fiduciary duty by falsifying the bank's financial records and hiding the bank's deteriorating condition. The misconduct alleged involved a widespread scheme by certain former officers of United Commercial Bank to falsify books and records of the bank, make false statements and omissions to its external audit firm, KPMG, and to impede the examination of the bank by FDIC and State bank examiners.

"The confidence and safety of depositors' money in our banking industry is dependent upon examiners reviewing accurate bank financial data and having honest and frank conversations with bank management. When bank officials impede the bank examination process, or conceal the true nature of a bank's financial condition from examiners, auditors, or the public, this amounts to very serious misconduct, and the FDIC will respond accordingly," stated Sandra L. Thompson, Director of the FDIC's Division of Risk Management Supervision.

The FDIC's allegations include Respondents:



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-162-2011**

- Intentionally filing false call reports and SEC filings
- Intentionally misrepresenting the bank's financial condition to FDIC and State regulators in face-to-face meetings
- "Sanitizing" the bank's books and records to remove negative information before providing to auditors or bank examiners
- Concealing appraisals from auditors
- Intentionally understating the bank's Allowance for Loan and Lease Losses (ALLL) calculations by omitting negative information about certain credits, in violation of accounting standards; and
- Fraudulently bringing past due loans current by artificial means

The issuance of FDIC's Notice of Charges will result in an administrative hearing process before an independent Administrative Law Judge to remove and prohibit ten of the former United Commercial Bank officers from ever working for an FDIC-insured depository institution again, and to assess civil money penalties against each. The date for the hearing has not been set.

The FDIC did issue removal and prohibition orders, and civil money penalties against three of the former officers of United Commercial Bank.

Independently of the administrative enforcement actions announced by the FDIC today, the United States Department of Justice separately announced criminal charges against two former officers of United Commercial Bank.

Additionally, the Securities and Exchange Commission also announced separate civil fraud charges against several of the former officers.

United Commercial Bank closed on November 6, 2009. It was headquartered in San Francisco, Calif., with branch offices in the United States as well as in China, Hong Kong and Taiwan. The bank was a subsidiary of UCBH Holdings, Inc. The failure of United Commercial Bank cost the FDIC's Deposit Insurance Fund an estimated \$2.5 billion.

Attachments:

[Notice of Charges and Hearing to Remove and Prohibit from Banking - PDF \(PDF Help\)](#)
[Zhang—Removal and Prohibition Order, and Civil Money Penalty - PDF \(PDF Help\)](#)
[Swartz—Removal and Prohibition Order, and Civil Money Penalty - PDF \(PDF Help\)](#)
[Cinderey—Removal and Prohibition Order, and Civil Money Penalty - PDF \(PDF Help\)](#)
