

UNITED STATES OF AMERICA
BEFORE
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

)
Written Agreement by and between)
)
PREMIER BANK) Docket No. 03-002-WA/RB-SM
Denver, Colorado)
)
and)
)
FEDERAL RESERVE BANK OF)
KANSAS CITY)
Kansas City, Missouri)
)

WHEREAS, in recognition of their common goal to maintain the financial soundness of the Premier Bank, Denver, Colorado (the "Bank"), a state chartered bank that is a member of the Federal Reserve System, the Bank and the Federal Reserve Bank of Kansas City (the "Reserve Bank") have mutually agreed to enter into this Written Agreement (the "Agreement");

WHEREAS, as the result of the identification of deficiencies, the Bank is taking steps to enhance and improve its policies and procedures for complying with the Currency and Foreign Transactions Reporting Act (31 U.S.C. 5311 et seq.) and the accompanying regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. 103.11 et seq.) (collectively referred to as the Bank Secrecy Act (the "BSA")), and with the applicable provisions of Regulation H (12 C.F.R. 208.62 and 208.63) of the Board of Governors of the Federal Reserve System (the "Board of Governors"), and

WHEREAS, on March 21st, 2003, the Bank's board of directors, at a duly constituted meeting, adopted a resolution authorizing and directing Jeffrey J. Lee, to enter into this Agreement on behalf of the Bank, and consenting to compliance by the Bank,

and its institution-affiliated parties, as defined in section 3(u) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1813(u)), with each and every provision of this Agreement.

NOW, THEREFORE, the Bank and the Reserve Bank agree as follows:

1. The Bank and its institution-affiliated parties shall not, directly or indirectly, violate the BSA or any rules or regulations issued pursuant thereto and shall correct all prior BSA citations identified by the Reserve Bank in July 2002 and September 2002.
2. The Bank shall continue to maintain and fully comply with the compliance program required by applicable provisions of Regulation H of the Board of Governors (12 C.F.R. 208.63) and 31 U.S.C. 5318(h) that is acceptable to the Reserve Bank. The program shall continue to be designed to ensure and maintain compliance with all provisions of the BSA, and shall continue to include, but not be limited to:
 - (a) Adequate internal controls to ensure BSA compliance;
 - (b) independent testing of compliance with the BSA and the rules and regulations issued thereunder, including all steps necessary to ensure that BSA compliance audits are performed at least annually, are fully documented, and are conducted with the appropriate segregation of duties;
 - (c) all steps necessary to ensure that the Bank's BSA compliance program is managed by a qualified officer who shall have responsibility for all BSA compliance and related matters, including, without limitation, (i) the identification and timely, accurate, and complete reporting to law enforcement and supervisory authorities of unusual or suspicious activity or known or suspected criminal activity committed against or involving the Bank, and

(ii) monitoring the Bank's compliance and ensuring that full and complete corrective action is taken with respect to all previously identified violations and deficiencies; and

(d) the training, on a regular basis, of all appropriate personnel, conducted by competent personnel, in all aspects of regulatory and internal policies and procedures related to the BSA (including accurate recordkeeping and form completion requirements and the identification and reporting of suspicious activity).

3. The Bank shall continue to maintain and fully comply with the enhanced customer due diligence program that is acceptable to the Reserve Bank and that is designed to reasonably ensure the identification and timely, accurate, and complete reporting of known or suspected criminal activity committed against or involving the Bank to law enforcement and supervisory authorities as required by the suspicious activity reporting provisions of Regulation H of the Board of Governors (12 C.F.R. 208.62).

4. (a) The Bank shall continue to retain the independent accounting firm that it hired prior to the date of this Agreement to conduct a complete forensic audit of the Bank's BSA compliance, according to the terms of the engagement letter that was submitted to the Reserve Bank. The forensic audit shall continue to include, but not be limited to:

- (i) a review of account records from October 1, 2000 to the present to evaluate compliance with the currency transaction reporting requirements of the BSA and the procedures for exemptions from such requirements;
- (ii) a review of account records from October 1, 2000 to the present to determine whether suspicious activity involving accounts or transactions by, at, or through the Bank was identified and reported by the Bank in accordance with applicable regulations; and
- (iii) a review of internal controls and regulatory compliance since August 1, 2000 in all areas of the Bank's operations that were under the direct responsibility of the Bank's former senior vice president, chief financial officer, and cashier.

(b) Upon completion of the audit, a copy of the independent accounting firm's report detailing the findings, conclusions, and recommendations from the audit shall be provided to the Reserve Bank.

(c) Within 45 days of the receipt of the independent accounting firm's report, the Bank shall (i) submit to the Reserve Bank an acceptable written plan to address all weaknesses and deficiencies noted in the report and (ii) ensure that all transactions previously required to be reported have been reported in accordance with applicable regulations and guidelines.

5. (a) The written plan required by paragraph 4(c) of this Agreement shall be submitted to the Reserve Bank for review and approval. An acceptable plan shall be submitted within the 45-day time period set forth in paragraph 4(c) of this Agreement. The Bank shall adopt the approved plan within 10 days of approval by the Reserve Bank and then shall fully comply with it. During the term of this Agreement, the Bank shall not amend or rescind the approved plan without the prior written approval of the Reserve Bank

(b) During the term of this Agreement, the Bank shall not amend or rescind the programs described in paragraphs 2 and 3 of this Agreement without the prior written approval of the Reserve Bank.

6. All communications regarding this Agreement shall be sent to:

(a) Susan E. Zubradt
Vice President
Federal Reserve Bank of Kansas City
925 Grand Boulevard
Kansas City, Missouri 64198

(b) Mr. Jeffrey J. Lee
President and Chief Executive Officer
Premier Bank
1630 Stout Street
Denver, Colorado 80202

7. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to the Bank to comply with any provision of this Agreement.

8. The provisions of this Agreement shall be binding upon the Bank and all of its institution-affiliated parties, in their capacities as such, and their successors and assigns.

9. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended by the Reserve Bank.

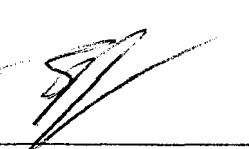
10. The provisions of this Agreement shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any other federal or state agency from taking any other action affecting the Bank or any of its current or former institution-affiliated parties and their successors and assigns.

11. This Agreement is a "written agreement" for the purposes of, and is enforceable by the Board of Governors as an order issued under, section 8 of the FDI Act (12 U.S.C. 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 24th day of March, 2003.

Premier Bank

Federal Reserve Bank of Kansas City

By: 
Jeffrey J. Lee
President & CEO

By: 