



# Federal Housing Finance Agency

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## FINAL SUSPENSION ORDER

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. 4513b(b)(2)(B)(iii).
2. Section 1319G of the Safety and Soundness Act authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. 4526(a).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA has determined that any business relationship between Hyeokji Alex Ko and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. Hyeokji Alex Ko entered into a **Stipulation and Consent to the Issuance of an Order of Prohibition from Further Participation and Order to Pay Civil Money Penalty Civil Money Penalty** (“Consent Agreement”) with the Federal Deposit Insurance Corporation (FDIC) dated December 30, 2013.
2. Hyeokji Alex Ko consented to the FDIC’s statements in the Consent Agreement that:
  - a) He had engaged or participated in violations, reckless unsafe or unsound banking practices, and/or breaches of fiduciary duty as an institution-affiliated party of Pacific International Bank, Seattle, Washington, which was later acquired by BBCN Bank (the “Bank”).
  - b) Such violations, practices, and/or breaches were part of a pattern of misconduct and by reason of such violations, practices, and/or breaches of fiduciary duty the

Bank suffered financial loss or other damage, and the interests of the Bank's depositors have been prejudiced and/or Hyeokji Alex Ko received financial gain; and

- c) Such violations, practices, and/or breaches of fiduciary duty involved personal dishonesty on the part of Hyeokji Alex Ko and/or demonstrated willful or continuing disregard for the safety or soundness of the Bank.
3. The FDIC determined that such violations, practices or breaches of fiduciary duty demonstrate Hyeokji Alex Ko's unfitness to serve as a director, officer, person participating in the conduct of the affairs or as an institution-affiliated party of the Bank, any other insured depository institution, or any other agency or organization enumerated 12 U.S.C. 1818(i)(2)(B).
  4. On December 30, 2013, by Consent Order, Hyeokji Alex Ko was prohibited, without the prior written approval of the FDIC and the appropriate federal institutions regulatory agency from:
    - a) Participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of 12 U.S.C. 1818(e)(7)(A);
    - b) Violating any voting agreement previously approved by the appropriate Federal banking agency; or
    - c) Voting for a director, or serving or acting as an institution-affiliated party.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Hyeokji Alex Ko indefinitely, beginning on May 9, 2017. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Hyeokji Alex Ko.

The Final Order's requirement for regulated entities to cease any business relationship with Hyeokji Alex Ko does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity, if Hyeokji Alex Ko is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order is a final action of the Federal Housing Finance Agency.

  
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Alfred M. Pollard  
Suspending Official

3-9-2017  
Date: