

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

In the Matter of

ANTHONY R. GRESSAK III

A former institution-affiliated party of

ALLEGIANT UNITED HOLDINGS, LLC,
Irvine, California

NANO FINANCIAL HOLDINGS, INC.,
Irvine, California

and

NANO BANC,
Irvine, California

Docket No. 24-026-CMP-I
24-026-E-I

Order of Prohibition and Assessment
of Civil Money Penalty Issued Upon
Consent Pursuant to Sections 8(e) and
8(i) of the Federal Deposit Insurance
Act, as Amended

WHEREAS, pursuant to sections 8(e) and 8(i) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e) and 1818(i), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition and Assessment of Civil Money Penalty (“Order”) upon the consent of Anthony R. Gressak III (“Gressak”), a former institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of Allegiant United Holdings, LLC, Irvine, California, a bank holding company (“Allegiant”); Nano Financial Holdings, Inc. (the “Company”), Irvine, California, a bank holding company; and Nano Banc (the “Bank”), Irvine, California, a state member bank;

WHEREAS, since 2018, at all times relevant to this Order Gressak was a shareholder of Allegiant, Allegiant partly owned the Company, and the Company wholly owned the Bank;

WHEREAS, Allegiant was recently dissolved, and Gressak thereafter owned shares in the Company directly;

WHEREAS, from 2018 to 2022, Gressak served as a director on the Bank's and the Company's boards of directors, and he served as the Bank's Chief Credit Officer from 2018 until 2021, when he became the Bank's acting interim Chief Executive Officer;

WHEREAS, Gressak resigned from his positions as an officer of the Bank and a director of the Bank and the Company in February 2022;

WHEREAS, Gressak has relinquished to the Company all shares he held in the Company;

WHEREAS, Allegiant, the Company, and the Bank entered into a Written Agreement with the Federal Reserve Bank of San Francisco (the "Reserve Bank") on February 24, 2021 (the "Written Agreement"), which Gressak signed on behalf of Allegiant, pursuant to which Allegiant, the Company, and the Bank were required to comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 et seq.) by providing 30 days' written notice prior to appointing any new director or senior executive officer;

WHEREAS, Gressak organized and voted in favor of shareholder action that caused the Bank to install a new Chief Executive Officer and slate of directors without providing prior notice to the Board of Governors or the Reserve Bank, in violation of the Written Agreement;

WHEREAS, as a part of the Company's approximately \$37 million capital raise in 2020, Gressak and the other founders of the Bank formulated a plan pursuant to which they would receive a commission on the investments, despite that the subscription agreement executed by investors indicated that Bank executives would receive no commissions or compensation in connection with the investments;

WHEREAS, Gressak received \$194,704.67 in commissions for obtaining capital investments, including \$100,000 that he caused the Bank to advance him two months before the capital was funded, in violation of Board of Governors' Regulation O, 12 C.F.R. Part 215;

WHEREAS, Gressak concealed his commission from the Reserve Bank and the Bank's and the Company's boards;

WHEREAS, on March 24, 2020, Gressak participated in the approval of a \$148,000 employee payroll advance to an executive officer of the Bank, in violation of Regulation O, which permitted the employee to inflate his income to a lender from which the employee sought and obtained a loan;

WHEREAS, while an officer and director of the Bank and a director and indirect shareholder of the Company, Gressak maintained an outside business interest as a partial owner of a group of corporate entities that received approximately \$15.5 million in funds provided for by the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136, the "CARES Act"), under the Paycheck Protection Program ("PPP"), economic injury disaster loan program, and the Restaurant Revitalization Fund ("RRF");

WHEREAS, from March 2020 to February 2022, Gressak participated in making materially false representations in connection with certain of the applications for these funds and improperly accepted a portion of the funds for personal expenses;

WHEREAS, the foregoing conduct constituted violations of law or regulation, unsafe or unsound banking practices, or breaches of fiduciary duty; and

WHEREAS, by affixing his signature hereunder, Gressak has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any other

matter implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, before the filing of any notices, or adjudication of or finding on any issue of fact or law implied or set forth herein, and without Gressak's admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted litigation or extended litigation,

IT IS HEREBY ORDERED that:

1. Pursuant to section 8(e) of the FDI Act, 12 U.S.C. § 1818(e), Gressak, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

- a. participating in any manner in the conduct of the affairs of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;
- b. soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any

voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

- c. violating any voting agreement previously approved by any federal banking agency; or
- d. voting for a director, or serving or acting as an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. The Board of Governors hereby imposes a civil money penalty on Gressak in the amount of \$75,000 that shall be remitted within sixty (60) days of the execution of this Order by transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 051053310, beneficiary Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of Treasury, pursuant to section 8(i) of the FDI Act, 12 U.S.C. § 1818(i). This penalty is a penalty paid to a government agency in relation to the violation of any law or the investigation or inquiry by such agency into the potential violation of any law for purposes of 26 U.S.C. § 162(f) and 26 C.F.R. § 1.162-21.

3. All communications regarding this Order shall be addressed to:

a. Richard M. Ashton, Esq.
Deputy General Counsel
David Williams, Esq.
Senior Associate General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551

b. Anthony R. Gressak III

with copies to

Vicki Chou, Esq.
Hueston Hennigan LLP
620 Newport Center Drive Suite 1300
Newport Beach, CA 92660

4. Any violation of this Order shall separately subject Gressak to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C. §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Gressak; provided, however, that the Board of Governors shall not take any further action against Gressak on any matters concerning or arising from the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 1st day
of November, 2024.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Anthony R. Gressak III
Anthony R. Gressak III

By: /s/ Ann. E. Misback
Ann E. Misback
Secretary of the Board