

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

In the Matter of

JAMES T. CHUNG

A former institution-affiliated party of

NANO FINANCIAL HOLDINGS, INC.,  
Irvine, California

and

NANO BANC,  
Irvine, California

Docket No. 24-028-E-I

Order of Prohibition Issued Upon  
Consent Pursuant to Section 8(e) of  
the Federal Deposit Insurance Act, as  
Amended

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition (“Order”) upon the consent of James T. Chung (“Chung”), 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 Nano Financial Holdings, Inc. (the “Company”), Irvine, California, a bank holding company, and Nano Banc (the “Bank”), Irvine, California, a state member bank;

WHEREAS, from 2018 to 2022, Chung served as a director on the Bank’s and the Company’s boards of directors;

WHEREAS, while a director of the Bank and Company, Chung 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, economic injury disaster loan program, and the Restaurant Revitalization Fund;

WHEREAS, from March 2020 to February 2022, Chung participated in making materially false representations in connection with certain of the applications for these funds and improperly used a portion of the funds for unauthorized 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, Chung 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, taking of any testimony, or adjudication of or finding on any issue of fact or law implied or set forth herein, and without Chung’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 or extended litigation,

IT IS HEREBY ORDERED that:

1. Pursuant to section 8(e) of the FDI Act, 12 U.S.C. § 1818(e), Chung, 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. 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. James T. Chung

with copies to

Jennifer Resnik, Esq.  
Cohen Williams LLP  
724 South Spring St., 9th Floor  
Los Angeles, CA 90014

3. Any violation of this Order shall separately subject Chung 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).

4. 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 Chung; provided, however, that the Board of Governors shall not take any further action against Chung 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.

5. 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/ James T. Chung  
James T. Chung

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