



**Success Story:** Trust & Investment Bank Cease & Desist

**Client Classification:** US Private Bank

**Service Category:** Change Management, Technology Enablement

**Situation:**

- This prestigious National Private Bank did not meet regulatory requirements during the Safety and Soundness examination, and was ordered to discontinue adding new client accounts due to BSA/AML compliance violations.
- The Bank's internal staff estimated it would take 24 months to resolve the regulatory issues.
- The Board wanted to resume the bank's revenue growth, to reestablish assurances of strong regulatory compliance and controls, and "to clean-up" all sub-standard client documentation and reporting requirements.
- The LoBue Group was hired to examine all records, fix the problem and to develop an ongoing process preventing the situation from re-occurring in the future.

**Recommendations:**

- Examined all client relationships and information retained by the bank (approximately 70,000 private banking relationships).
- Develop and execute a plan to acquire missing/unclear client information. The plan included the hiring of 100 temporary staff.
- Make recommendations to discontinue questionable client relationships.
- Developed and implemented a new process for client acquisitions and on-boarding.
- Provide key management indicators to continually monitor and control the quality of client data (involving periodic client audits, and statistical checks to provide an early warning system).

**Results:**

- LoBue had undertaken the project and organized a team of LoBue consultant and bank personnel for execution.
- The program was rolled out within five weeks from the start and concluded after five month of execution resulting in completed client information and some discontinued relationships.
- The outside regulatory agency was invited to perform an audit 5 months ahead the next planned yearly "get in compliance audit".
- The bank passed the external audit and was given permission to resume its new client acquisition and substantial revenue growth.
- A projected resolution of 24 months was accomplished in 5 months and regulatory issues were resolved before 1 year.

**OFFICE LOCATION**

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