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United States of America

17 UNITED STATES DISTRICT COURT  
18 CENTRAL DISTRICT OF CALIFORNIA

19 UNITED STATES OF AMERICA,  
20 Plaintiff,

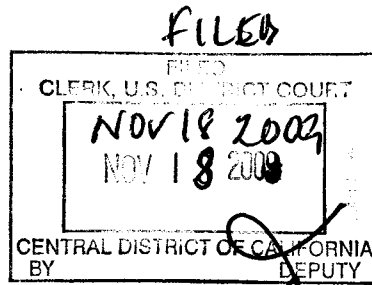
21 v.

22 NARA BANK;  
UNION AUTO SALES, INC., d/b/a  
23 Union Mitsubishi;  
HAN KOOK ENTERPRISES, INC., d/b/a  
24 Los Angeles City Hyundai, Garden  
Grove Hyundai, Han Kook Imports,  
25 Vermont Chevrolet, and Han Kook Motors, Inc.

26 Defendants.  
27  
28

NO 55-4

NOTE: CHANGES  
MADE BY COURT



2009 SEP 30 PM 3:41  
CLERK, U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

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CV09-7124 ROK USA

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3 **I. INTRODUCTION**

4 1. This Consent Decree resolves fully and finally all claims of the United  
5 States against Defendant Nara Bank (hereinafter "Nara Bank") asserted, or that  
6 could have been asserted, arising out of or relating to allegations discussed in this  
7 Consent Decree that Nara Bank, Union Auto Sales, Inc., and Han Kook  
8 Enterprises, Inc., have allegedly violated the Equal Credit Opportunity Act, 15  
9 U.S.C. §§ 1691-1691f ("ECOA"), and its implementing regulations located at 12  
10 C.F.R. Part 202 ("Regulation B"). The United States alleges that Nara Bank, as  
11 well as the other named Defendants, engaged in policies and practices that  
12 discriminated against non-Asian consumers who receive financing to purchase  
13 automobiles. Specifically, the United States alleges that Defendants charged non-  
14 Asian customers, many of whom were Hispanic, higher "overages" or "dealer  
15 mark-ups" than similarly-situated Asian customers.<sup>1</sup> Nara Bank, denies all of the  
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21 <sup>1</sup> An "overage" is the discretionary mark-up that is reflected in the  
22 borrower's interest rate. It represents the difference between the Annual  
23 Percentage Rate ("APR") and the Buy Rate on the loan. The APR is the measure  
24 of the cost of credit, expressed as a yearly rate, as defined in Regulation Z, 12  
25 C.F.R. Part 226, implementing the Truth in Lending Act, 15 U.S.C. §§ 1601-1667f.  
26 The "Buy Rate" is a risk-related finance charge taking into account the consumer's  
27 credit risk and the terms of the deal, and is expressed in the form of a percentage.  
28 The "Buy Rate" is the amount for which a lender agrees to acquire a contract from  
the dealership. For example, if the buy rate were 8% and the borrower's interest  
rate, or APR, was 8.5%, then the "overage" or "dealer mark-up" for that loan  
would be .50%.

1 United States' allegations, and specifically denies that their policies or practices  
2  
3 violated any laws or discriminated against any individuals. Nara Bank further  
4 denies that it was involved in any of the practices of the Defendant dealerships.

5 This Decree is a compromise of disputed allegations, and is not to be construed as  
6  
7 an admission of liability on the part of Nara Bank, by whom liability is expressly  
8 denied. This Decree cannot be used in any action or proceeding as an admission of  
9  
10 any liability or wrongdoing.

11  
12 2. To resolve these allegations, Nara Bank has agreed to a program making any  
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14 dealer financing it provides available on an equal basis to similarly-situated  
15 consumers regardless of race or national origin, and to compensate aggrieved  
16  
17 persons.

## 18 **II. BACKGROUND**

19 3. The United States alleges that in a typical indirect automobile financing  
20  
21 transaction through the Union Auto Sales, Inc. ("Union Mitsubishi")  
22 dealership, the Han Kook Enterprises, Inc. ("HKE") dealerships (collectively  
23 "Defendant dealerships"), and other dealerships from which Nara Bank or  
24  
25 other lending institutions would purchase automobile financing contracts  
26  
27 (collectively "the dealerships"), the dealerships would obtain and complete  
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customer applications, obtain customer credit reports, and verify income,

1 among other customer characteristics, to make an initial determination  
2 whether an automobile loan applicant met Nara Bank's and/or another  
3 lending institution's underwriting guidelines, as indicated on rate sheets that  
4 were provided on a regular basis to the dealerships by Nara Bank and such  
5 other lending institutions. If the dealerships concluded that the applicant met  
6 the underwriting standards, the dealership and the customer would sign a  
7 sales contract setting forth the agreed upon interest rate. This contract,  
8 reflecting the dealership as the creditor, would be forwarded to Nara Bank.  
9 Nara Bank would then order a new credit report and validate the dealership's  
10 underwriting and the pricing of the loan. If Nara Bank agreed to purchase the  
11 loan, it would send the dealership a "Notification of Acceptance." Under its  
12 agreements with the dealerships, if Nara Bank did not accept the contract, it  
13 would provide the applicant with a notification of adverse action. Once Nara  
14 Bank notified the dealerships of acceptance, the dealerships then would have  
15 the discretion to decide whether or not to present loan terms to the consumer  
16 for finalizing the deal based on the Nara Bank contract, or whether to finalize  
17 the deal using the terms of another lending institution. Nara Bank did not  
18 participate in the negotiation of the financing contract terms between the  
19 borrower and the dealerships. Nara Bank reviewed contracts presented to  
20 Nara Bank by dealerships to confirm that the contracts met Nara Bank's  
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1 underwriting guidelines and other rate sheet terms.

2  
3 4. For each loan application referred by the dealerships to Nara Bank, or by  
4 Union Mitsubishi or HKE to another lender, the dealership uses the buy rate  
5 set by Nara Bank or the other lender. The buy rate is customarily  
6  
7 communicated by the lender only to the dealership, not the consumer. The  
8 dealership then sets the “dealer mark-up” or “overage,” a non-risk related  
9  
10 finance charge that the dealership adds to the buy rate. Typically, the  
11 dealership then discloses to the consumer the “contract rate,” or the APR,  
12  
13 which equals the buy rate plus the dealer’s overage or mark-up. In deals  
14  
15 where the dealership includes an overage in the consumer’s interest rate,  
16  
17 Nara Bank or other lending institutions typically pay a portion of the overage  
18  
19 to the dealership.

20  
21 5. The United States further alleges that dealership employees do not use  
22  
23 formal, written, or uniform guidelines and procedures to set overages or  
24  
25 dealer mark-ups. Instead, dealership employees are granted the discretion by  
26  
27 the dealerships to engage in subjective decision-making, setting overages and  
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29 dealer mark-ups within broad parameters bounded only by maximum limits  
30  
31 set by Nara Bank and other financing institutions. The United States alleges  
32  
33 that the Defendants charged non-Asian consumers, including Hispanic  
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35 consumers, higher overages than similarly-situated Asian consumers. The

1 United States alleges that the differences in the overages in the automobile  
2 loans made to non-Asian, including Hispanic, borrowers, as compared to  
3 those made to Asian borrowers, cannot be explained fully by factors  
4 unrelated to race or national origin.  
5

6. 6. The United States further alleges that these methods of setting overages or  
7 dealer mark-ups were not justified by business necessity and discriminated  
8 against consumers with respect to credit transactions, on the basis of their  
9 race or national origin, in violation of ECOA, 15 U.S.C. § 1691e(h), and  
10 Regulation B, 12 C.F.R. 202.2(n), 202.4, and 202.6(b)(9).  
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14 7. Nara Bank denies all of the United States' allegations and specifically denies  
15 that it violated any law, statute or regulation or that it discriminated against  
16 anyone. Nara Bank acknowledges that certain non-Asian borrowers may  
17 enter into contracts with the Defendant dealerships that in certain cases may  
18 have had higher APRs than certain Asian borrowers, but Nara Bank believes  
19 that is likely attributable to lack of borrower sophistication and knowledge of  
20 alternative credit sources among individual borrowers or other  
21 non-discriminatory reasons. Also, the dealerships were free to place their  
22 contracts with other lending institutions and did so, and Nara Bank was not  
23 the exclusive purchaser of contracts from the dealerships. Notwithstanding  
24 Nara Bank's differences with the United States with respect to the reasons for  
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1 the APRs agreed to by certain borrowers, Nara Bank shares the goal of the  
2 United States of assuring that considerations of race or national origin play  
3 no role whatsoever in the price of credit, and Nara Bank is entering into this  
4 Consent Decree to further that goal.  
5

6  
7 8. There has been no factual finding or adjudication with respect to any matter  
8 alleged by the United States. Rather, the parties have agreed that this matter  
9 should be resolved before any complaint or lawsuit has been filed by the  
10 United States to avoid the time and expense of a trial; and have entered into  
11 this Decree voluntarily to resolve the allegations asserted by the United States  
12 and avoid the risks and burdens of litigation.  
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### 15 III. REMEDIAL ORDER

16 9. The provisions set forth in Sections III. through V. of this Decree, shall be  
17 implemented within ninety (90) days of the Effective Date<sup>2</sup> of this Decree,  
18 unless a longer period shall be provided in this Decree, and shall continue  
19 until the end of its Term, at the end of which Term this Decree shall  
20 automatically terminate. For purposes of this Decree, the "Term" of this  
21 Decree shall be 3 years and 90 days from the Effective Date.  
22  
23  
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27 <sup>2</sup> The "Effective Date" is herein defined as the date that this Consent Decree is  
28 approved and entered by the United States District Court for the Central District of  
California.

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**A. General Nondiscrimination Injunction**

10. Nara Bank, including all of its officers and employees, are hereby enjoined from engaging in any act or practice which discriminates on the basis of race or national origin, in any aspect of a credit transaction, in violation of the Equal Credit Opportunity Act, Act, 15 U.S.C. §§ 1691-1691f. More specifically, Nara Bank is hereby enjoined from discriminating, on the basis of race or national origin, against any loan applicant and/or consumer in the terms or conditions relating to the extension of credit, including the setting of overages in indirect automobile loan purchases.

**B. Provisions Regarding Nara Bank**

- 11. Nara Bank represents that it is not currently in the business of indirect automobile lending or any direct consumer lending, and has no plans to re-enter those lines of business. Based on this representation, the provisions of paragraphs 11-15 shall apply to Nara Bank.
- 12. Within ninety (90) days from the Effective Date of this Decree, Nara Bank shall post and prominently display, in its branches and offices that are open to members of the public and in which lending activities occur, a notice of non-discrimination, in the form set forth in Appendix A.
- 13. Within ninety (90) days from the Effective Date of this Decree, Nara Bank shall mail the booklet, "Understanding Vehicle Financing," which was



1 produced by the American Financial Services Association Education  
2 Foundation and the National Automobile Dealers Association, in cooperation  
3 with the Federal Trade Commission, to each consumer with respect to whom  
4 Nara Bank purchased a contract from dealerships for the financing of new or  
5 used automobiles under which the consumer was an obligor, for the period  
6 from January 1, 2004 to December 31, 2006, inclusive. The copy shall be  
7 mailed to the address for the obligor set forth on the contract, subject to any  
8 change of that address set forth in Nara Bank's records as of the date of  
9 mailing (the "mailing address"). In the case of more than one obligor on a  
10 contract, Nara Bank shall mail a copy of the booklet to each such obligor that  
11 has a different mailing address.  
12

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16 14. During the term of the decree, Nara Bank shall continue to provide all  
17 lending professionals and officers of the bank equal credit opportunity  
18 training. During such training, Nara Bank shall provide to all lending  
19 professionals and officers of the bank: (a) a copy of this Consent Decree; and  
20 (b) training on (i) the terms of this Agreement, (ii) the fair lending  
21 requirements of the Equal Credit Opportunity Act, and (iii) his or her  
22 responsibilities and obligations under each.  
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26 15. Should Nara Bank enter into the business of indirect automobile lending in  
27 any way during the Term of this Decree, the following provisions shall apply  
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1 to Nara Bank for the Term of this Decree, and shall be implemented within  
2  
3 ninety (90) days of such re-entry into the business:

4 (a) For all automobile financing contracts purchased by Nara Bank during  
5 the Term, Nara Bank shall require all dealerships with respect to which  
6 it has entered into agreements for the purchase of automobile financing  
7 contracts from time to time (collectively, the "subject dealerships") to  
8 not: (1) charge the consumer an APR more than two and one-half  
9 percentage points (2.50%) above the Nara Bank Buy Rate then in  
10 effect, for loans with a term equal to or less than sixty (60) months; or  
11 (2) charge the consumer an APR more than two percentage points  
12 (2.0%) above the Nara Bank Buy Rate then in effect, for loans with a  
13 term greater than sixty (60) months.

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17 (b) Nara Bank shall develop and submit to the United States for  
18 approval a system for monitoring dealer markups (or overages) during  
19 the Term of this Decree with respect to subject dealerships. This  
20 monitoring system shall include:  
21

22 (i) For each contract Nara Bank receives from a subject  
23 dealership, Nara Bank officials shall require that all  
24 documentation related to the transaction be retained in the  
25 consumer's file. Nara Bank shall review all documentation  
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1 related to each overage or dealer mark-up to assess whether the  
2 overage or dealer mark-up complies with the limits set forth in  
3 Section 15(a) of this Decree. Nara Bank shall not accept any  
4 contract that does not so comply. For each loan that it does  
5 accept, Nara Bank will certify, in writing, that the final decision  
6 on the overage or dealer mark-up complies with the limits set  
7 forth in Section 15 (a) of this Decree.  
8

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11 (ii) Nara Bank shall develop and implement procedures for  
12 statistically monitoring the overages charged by each dealership,  
13 and for all dealerships collectively within its network, for  
14 disparities related to the race or national origin of the borrowers.  
15 The procedures shall require effective corrective action to  
16 address any disparities identified in the setting of  
17 overages/dealer markups by one or more dealerships within Nara  
18 Bank's automobile lending network. These policies and  
19 procedures shall be implemented by Nara Bank within thirty  
20 (30) days after approval by the United States.  
21

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24 (c) Nara Bank during the Term shall require each subject dealership  
25 to provide to each customer who indicates that he or she would like to  
26 finance an automobile purchase, and before the consumer executes any  
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1 document related to the financing or purchase of an automobile, an  
2 individual notice of non-discrimination, in the form set forth in  
3 Appendix A, a notice that each APR is negotiable, in the form set forth  
4 in Appendix B, and a copy of the booklet, "Understanding Vehicle  
5 Financing", described in Paragraph 13 above.  
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8 (d) Nara Bank shall require the attendance, at the equal credit  
9 opportunity training program described in paragraph 14 above, of all  
10 officers, employees and agents, who will participate, in any manner, in  
11 the financing of automobiles and/or the setting of loan terms for  
12 purchasing automobiles, including but not limited to personnel who  
13 participate in any manner in the underwriting of automobile loans, the  
14 setting of buy rates, and/or the setting of dealership participation  
15 amounts. The equal credit opportunity training program shall be  
16 expanded to include instruction in the requirements and  
17 implementation of this Subsection.  
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#### 22 **IV. COMPENSATION FOR AGGRIEVED PERSONS**

23 16. (a) Nara Bank shall deposit in an interest-bearing escrow account  
24 maintained at Nara Bank the sum of **Four Hundred Ten Thousand Dollars**  
25 **(\$410,000.00)** which shall be designated for the purpose making payments to  
26 Aggrieved Persons (as defined in paragraph 19 below) in transactions where  
27  
28

1 Nara Bank purchased a contract from a dealership between January 4, 2004  
2 and October 31, 2006.  
3

4 (b) Nara Bank shall provide written verification of the deposit to the  
5 United States within seven (7) days of the Effective Date of this Decree.  
6 Any interest that accrues shall become part of the Settlement Fund and be  
7 utilized as set forth herein.  
8

9 17. Within ninety (90) days of the entry of this Consent Decree, to the extent not  
10 already provided, Nara Bank shall provide to the United States an electronic  
11 database including records of all automobile financing contracts purchased  
12 by Nara Bank for the period between January 1, 2004 and October 31, 2006.  
13  
14

15 18. The United States shall, upon reasonable notice to Nara Bank, be allowed  
16 access to its records and files to verify the accuracy of the electronic database  
17 and to otherwise identify persons entitled to payments from the Settlement  
18 Fund. Nara Bank shall cooperate fully with the United States in answering  
19 any questions or providing additional information related to the databases.  
20  
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22 19. Upon review of the electronic databases of Nara Bank, the United States shall  
23 prepare a list of Aggrieved Persons, and the amounts to be paid to each, by  
24 identifying persons who: (a) are non-Asian, including Hispanic borrowers,  
25 who purchased new vehicles and were charged overages higher than the  
26 overages charged to Asian borrowers in the electronic database who  
27  
28

1 purchased new vehicles; or (b) are non-Asian, including Hispanic borrowers,  
2 who purchased used vehicles and were charged overages higher than the  
3 overages charged to Asian borrowers in the electronic database who  
4 purchased used vehicles. Each Aggrieved Person shall receive a payment  
5 from the Nara Bank Settlement Fund, subject to the conditions set forth in  
6 Paragraph 20 below.  
7  
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9 20. No Aggrieved Person shall be paid twice for the same transaction under the  
10 Nara Bank Settlement Fund, and no Aggrieved Person shall be paid any  
11 amount from the Nara Bank Settlement Fund until after the execution of a  
12 written release in the form set forth in Appendix C (Release).  
13

14 21. Within 180 days of receiving Nara Bank's electronic database, the United  
15 States shall prepare and provide to Nara Bank a list of persons who qualify as  
16 Aggrieved Persons under paragraph 19. The United States shall notify each  
17 such Aggrieved Person via a regular mail notification letter in form and  
18 substance acceptable to the Defendants and the United States and provide  
19 Nara Bank a list of borrowers who were so notified. The notification letter  
20 shall contain a Release and a copy of this Consent Decree; and shall instruct  
21 the Aggrieved Person to execute the Release and return it promptly to:  
22  
23  
24

25 Chief, Housing and Civil Enforcement Section  
26 Civil Rights Division – NWB 7062  
27 United States Department of Justice  
28 950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Attn: DJ# 188-12c-26

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2  
3 22. Defendants shall cooperate in the efforts to locate and notify Aggrieved  
4 Persons; and shall provide the United States with any records or documents it  
5 requests to help locate Aggrieved Persons.

6  
7 23. The United States shall provide Nara Bank with all executed releases that it  
8 receives. Within thirty (30) days of the receipt of Releases, Nara Bank shall  
9 issue checks, drawn on the Nara Bank Settlement Fund, and mail the checks  
10 to the Aggrieved Persons who executed the Releases. The checks shall be  
11 issued in the amount designated under Paragraph 19 of this Decree. Nara  
12 Bank shall copy the United States on each check that is mailed.

13  
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15 24. Any monies not distributed from the Nara Bank Settlement Fund within one  
16 (1) year of the date the initial notifications go out to Aggrieved Persons per  
17 paragraph 21 shall be returned to Nara Bank.  
18

19 **V. CONSUMER EDUCATION AND FINANCIAL LITERACY GRANTS**

20 25. Nara Bank has established programs to further consumer financial education  
21 and financial literacy, and Nara Bank shall maintain its commitment to those  
22 programs throughout the term of this Decree. Those programs are: 1) Junior  
23 Achievement which is an organization dedicated to educating young people  
24  
25

1 regarding business, economics, and free enterprise. Nara Bank shall continue  
2 to dedicate at least 400 staff hours per year to the Junior Achievement  
3 program by providing financial literacy training to youth in different schools  
4 throughout the states of California, New York and/or New Jersey; and 2) the  
5 Nara Bank Scholarship Foundation Program, which is aimed at providing  
6 financial resources to and financial literacy education to students in  
7 California, New York, and New Jersey through the programs developed by  
8 the California Council on Economic Education (CCEE). Nara Bank shall  
9 continue to dedicate at least 300 staff hours per year toward outreach,  
10 administration, and training with regard to this program. During the term of  
11 this Decree, Nara Bank shall maintain a financial commitment of at least **One**  
12 **Hundred Thousand Dollars (\$100,000.00)**, per year, toward the furtherance  
13 of these programs.  
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19 **VI. ADMINISTRATION**

20 **A. Record-Keeping and Reporting Requirements**

- 21  
22 26. The provisions of this Article VI shall apply for the duration of the Term.  
23 27. Nara Bank shall retain all records relating to their respective equal credit  
24 opportunity compliance.  
25



1 28. Upon reasonable written notice to Nara Bank, the United States shall be  
2 provided access to any and all records related to compliance with this Decree,  
3 including but not limited to individual automobile loan application files,  
4 certifications pursuant to paragraph 15(b) (i) and all records relating to Nara  
5 Bank's equal credit opportunity employee training program.  
6

7  
8 29. Nara Bank shall advise the United States in writing within thirty (30) days of  
9 receipt of any new written customer discrimination complaint against it.

10 Nara Bank shall also promptly provide the United States all non-privileged  
11 information it may request concerning any such complaint. Within thirty  
12 (30) days of the resolution of any such complaint, Nara Bank shall advise the  
13 United States of such resolution.  
14

15  
16 30. Nara Bank shall serve semi-annual reports to the United States for the Term  
17 of this Decree.

18 (a) Nara Bank shall submit an initial semi-annual report containing  
19 the signed statements of receipt of this Decree and attendance at equal  
20 credit opportunity training, for officers, employees and agents as  
21 applicable. Thereafter, Nara Bank shall include in each semi-annual  
22 report the signed statements of new employees verifying that they have  
23 received this Decree and attended equal credit opportunity training as  
24 applicable.  
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27  
28 (b) Nara Bank, to the extent it re-enters the automobile lending

1 business, shall include an electronic database for automobile loans  
2 purchased by Nara Bank during the previous one hundred and eighty  
3 (180) day period. The electronic database shall indicate whether each  
4 consumer purchased a new or used car from the respective dealership,  
5 and include the dealership name, consumer's name, street address, city,  
6 state, zip code, telephone number, make/model/year of vehicle,  
7 application date, any special financing programs, credit score (if  
8 available), Buy Rate, overage or dealer mark-up, and APR.

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12 (c) Nara Bank shall provide a complete account of its compliance  
13 with the requirements of this Decree in the previous one hundred and  
14 eighty (180) days; an objective assessment as the extent to which each  
15 requirement was met; and an explanation if any particular requirement  
16 was not met. In addition, Nara Bank shall attach to the semi-annual  
17 report representative copies of training materials and notices of non-  
18 discrimination and that each APR is negotiable, as appropriate.

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21  
22 (d) Nara Bank shall serve its semi-annual reports by overnight  
23 delivery on the Chief of the Housing and Civil Enforcement Section<sup>3</sup>

24  
25 <sup>3</sup> All semi-annual reports should be sent to:

1 beginning two hundred and seventy (270) days after the Effective Date  
2 and continuing every one hundred and eighty (180) days thereafter, for  
3 the remainder of the Term of this Decree.  
4

5 **B. Successors in Interest**

6 31. This Decree shall be binding on Nara Bank, including all of its officers,  
7 agents, its assigns and successors in interest. In the event any Defendant  
8 seeks to transfer or assign all or part of its interest in the lending institution or  
9 dealership, and the successor or assign intends on carrying on the same or  
10 similar use, as a condition of sale the Defendant shall obtain the written  
11 accession of the successor or assign to any obligations remaining under this  
12 agreement for the remaining term of this agreement.  
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14

15  
16 **C. Retention of Jurisdiction, Modifications, and Remedies for Non-**  
17 **Performance**

18 32. The Court shall retain jurisdiction for the duration of this Consent Decree to  
19 enforce the terms of the Decree for a period of 3 years and ninety (90) days,  
20 after which time the case shall be dismissed with prejudice. The United  
21 States may move the Court to extend the duration of the Decree in the  
22 interests of justice. Nara Bank shall bear its own costs.  
23  
24

25  
26 Chief, Housing and Civil Enforcement Section  
27 1800 G Street, N.W.  
28 Suite 7002  
Washington, D.C. 20006  
attn: DJ 188-12c-26

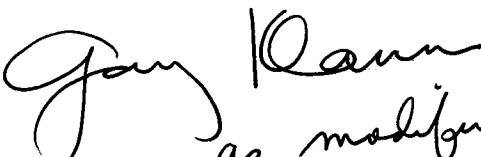
1 33. Any time limits for performance imposed by this Decree may be extended by  
2 mutual agreement of the parties. This Decree may be modified, upon  
3 approval of the Court, by written agreement of each Defendant and the  
4 United States.  
5

6 34. In the event that any disputes arise concerning the interpretation of or  
7 compliance with the terms of this Decree, the parties shall endeavor in good  
8 faith to resolve any such dispute between themselves before bringing it to this  
9 Court for resolution. In the event of either a failure by Nara Bank to perform  
10 in a timely manner any act required by this Decree or an act by any one or all  
11 Defendants in violation of any provision hereof, the United States may move  
12 this Court to impose any remedy authorized by law or equity. Such remedy  
13 may include, but is not limited to, an order requiring performance or non-  
14 performance of certain acts and an award of any damages, costs and  
15 attorneys' fees to the United States.  
16  
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20 **IT IS SO ORDERED:**

21 This 18 day of NOV, 2009.

22  
23  
24   
UNITED STATES DISTRICT COURT

25  
26   
27 as modified  
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1 Agreed to by the parties as indicated by the signatures of counsel below:

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**FOR THE UNITED STATES:**

ERIC H. HOLDER, JR.  
Attorney General


GEORGE S. CORDONA  
Acting United States Attorney

LORETTA KING  
Acting Assistant Attorney General  
Civil Rights Division

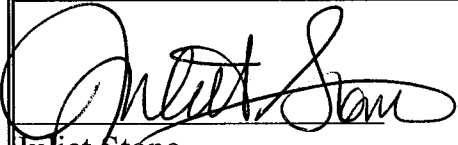
LEON W. WEIDMAN  
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STEVEN H. ROSENBAUM  
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1 **FOR THE DEFENDANT NARA BANK**

2 

3  
4 Juliet Stone  
5 FVP & Corporate Counsel  
6 3731 Wilshire Boulevard  
7 Suite 1000  
8 Los Angeles, CA 90010  
9 (213)235-3000 (phone)  
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1 APPENDIX A

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3 **We do Business in Accordance with Federal Fair**  
4 **Lending Laws**

5  
6 **UNDER THE EQUAL CREDIT OPPORTUNITY**  
7 **ACT, IT IS ILLEGAL TO DISCRIMINATE IN ANY**  
8 **CREDIT TRANSACTION:**

9  
10 **On the basis of race, color, national**  
11 **origin, religion, sex, marital status, or age;**

12  
13 **Because income is from public assistance; or**

14  
15 **Because a right has been exercised under the**  
16 **Federal Consumer Credit Protection Laws.**

17  
18 **IF YOU BELIEVE YOU HAVE BEEN**  
19 **DISCRIMINATED AGAINST, YOU SHOULD SEND**  
20 **A COMPLAINT TO:**

21 **Board of Governors of the**  
**Federal Reserve System**

or **U.S. Department of Justice**  
**Washington, DC 20530**

22 **Telephone: 1-800-896-7743**

23 **Web site:**  
24 **[http://www.usdoj.gov/crt/hou](http://www.usdoj.gov/crt/housing)**  
25 **ing**

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APPENDIX B

**The Annual Percentage Rate (“APR”) on the loan you use to purchase a car may be negotiable with (dealership name here).**

**(Dealership Name here) may receive a portion of the Finance Charge on the loan you use to purchase your car.**



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**APPENDIX C**

**RELEASE OF ALL CLAIMS**

In consideration of and contingent upon the payment of the sum of \_\_\_\_\_  
dollars (\$) \_\_\_\_\_), pursuant to the Consent Decree entered in United  
States v. Nara Bank, et al., Civil Action No. \_\_\_\_\_, in the United States District  
Court for the Central District of California (the "Consent Decree"), receipt of a  
copy of which Consent Decree is hereby acknowledged by me, I hereby  
acknowledge full accord and satisfaction of and I hereby release and forever  
discharge Nara Bank, including all of its officers, employees, agents,  
representatives, assignees, and successors in interest, from any and all liability for  
any and all actions, causes of action, damages or claims of damages or any and all  
other claims, legal or equitable, I may have against them arising out of or relating  
to the issues in the Consent Decree through and including the date of the entry of  
the Consent Decree.

I fully acknowledge and agree that this release of Nara Bank shall be binding  
on me as well as my heirs, representatives, executors, successors, administrators,  
and assigns.

The parties intend this Release to be as broad as possible and to include all  
legal and equitable claims, known or unknown, that were or would have been  
asserted against Nara Bank for any and all actual compensatory, punitive, statutory  
or any other damages, including but not limited to, pain and suffering, emotional  
distress, and attorneys' fees, costs and expenses in any way arising or connected

1 with claims of discrimination relating to the claims in the Consent Decree against  
2 Nara Bank through and including the date of this Release.

3 I acknowledge and understand that, by signing this Release and accepting  
4 this payment, I am waiving any right to pursue my own legal action based on the  
5 discrimination alleged by the United States in the Consent Decree.

6 I also acknowledge that I am familiar with the provisions of California Civil  
7 Code Section 1542 and expressly agree that the release set forth above constitutes a  
8 waiver and release of any rights or benefits that may arise thereunder, to the full  
9 extent that such rights or benefits may be waived. Section 1542 of the California  
10 Civil Code provides:

11 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT  
12 KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE  
13 RELEASE, WHICH IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS/HER  
14 SETTLEMENT WITH THE DEBTOR.

15 Thus, notwithstanding the provisions of Section 1542, and for the purpose of  
16 implementing a full and complete release and discharge of all claims, I expressly  
17 acknowledge that this Release is also intended to include in its effect, without  
18 limitation, all claims which I do not know or expect to exist in my favor at the time  
19 of execution hereof, in any way arising out of or connected with claims of  
20 discrimination relating to the claims in the Consent Decree, and that this Release  
21 contemplates the extinguishment of any such claim or claims.

22 I further acknowledge that I have been informed that I may review the terms  
23 of this Release with an attorney of my choosing, and to the extent that I have not  
24 obtained that legal advice, I voluntarily and knowingly waive my right to do so.

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I hereby acknowledge that I have read and understand this release fully and have executed it voluntarily and with full knowledge of its legal consequences.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Date)