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PRESS RELEASE

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FORMER UNITED COMMERCIAL BANK SENIOR VICE PRESIDENT
PLEADS GUILTY TO CONSPIRACY

OAKLAND – Thomas Yu pleaded guilty in federal court in San Francisco to charges of conspiracy to commit false bank entries, reports, and transactions related to his preparation of false and misleading reports, announced U.S. Attorney Melinda Haag; Federal Deposit Insurance Corporation, Office of the Inspector General, Special Agent in Charge Wade Walters; Office of the Special Inspector General for the Troubled Asset Relief Program, Special Agent in Charge Scott O'Briant; Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau, Office of the Inspector General, Special Agent in Charge Scott Redington; and FBI Special Agent in Charge David J. Johnson.

Yu, 51, of San Ramon, Calif., is a former Senior Vice President of United Commercial Bank (UCB). UCB was a commercial bank headquartered in San Francisco, Calif., with branch offices throughout the United States as well as in China and Taiwan. Until 2009, its holding company, UCBH Holdings, Inc., was publicly traded on NASDAQ.

On Nov. 6, 2009, UCB was taken over by the Federal Deposit Insurance Corporation (FDIC). According to the March 11, 2014 Superseding Indictment, FDIC estimates that there will be approximately \$1.1 billion in losses as a result of the bank's failure. In addition, the Troubled Asset Relief Program (TARP) provided approximately \$297 million in federal funds to UCB on Nov. 14, 2008, during the 2008 financial crisis. None of the TARP funds have been repaid.

According to the Plea Agreement, Yu prepared false and misleading quarterly loan loss allowance reports in which the bank calculated the loss reserves it was required to recognize as part of its quarterly financial reporting in the third and fourth quarters of 2008. By failing to properly downgrade poor performing loans, Yu admitted that he helped the bank avoid required loan loss reserves that enabled the bank to artificially inflate its reported earnings to the public. The conviction followed a change of plea hearing today before the Honorable Jeffrey S. White, United States District Court Judge.

Yu is currently released on a \$500,000 appearance bond secured by real property. Yu's sentencing hearing before Judge White has not been scheduled. The maximum statutory penalty

for a conviction for conspiracy in violation of 18 U.S.C. § 371 is five years in prison and a fine of \$250,000, plus restitution. However, any sentence will be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Adam A. Reeves and Robert David Rees are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Denise Oki, Phillip Villanueva and Bridget Kilkenny. The prosecution is the result of an investigation by the FDIC, Office of the Inspector General; the Special Inspector General of the Troubled Asset Relief Program; the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau, Office of the Inspector General; and the Federal Bureau of Investigation.