

## UNITED PANAM FINANCIAL CORP.

**Code Of Personal and Business Conduct and Ethics  
Adopted November 1998, As Amended March 24, 2004****I. GENERAL POLICY STATEMENT**

It is the policy of **United PanAm Financial Corp.** (“the Company”), the parent company of **United Auto Credit Corporation** to conduct its business in accordance with the highest ethical standards in order to merit and maintain the complete confidence and trust of its customers and the public in general. This Code of Personal and Business Conduct and Ethics (“Code”) addresses both business and social relationships that may present legal and ethical concerns and also sets forth a code of conduct to guide the members of the board of directors, officers and employees. We expect every employee, officer and director of the Company to read and understand the Code and its application to the performance of his or her business responsibilities. Directors, officers and employees must conduct their personal affairs and maintain their business transactions in a manner which does not result in adverse comments or criticisms from the public or in any way damage our reputation as a responsible financial services organization. Unless otherwise set forth herein, the term “employee” refers to all officers and employees of the Company and its subsidiaries.

Because the principles described in this Code are general in nature, you should also review all applicable Company policies and procedures for more specific instruction, and contact the **Director of Human Resources** if you have any questions.

Nothing in this Code, in any Company policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

We are committed to regularly reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

**A. Compliance with Laws and Regulation**

Ethical business conduct is critical to our business. It is our policy to fully comply with the spirit and intent of all applicable laws, rules and regulations. Violations of these laws, rules and regulations can create significant civil and/or criminal liability for you, the Company, our directors, officers and other employees. We expect you to use good judgment and high ethical standards and to refrain from any form of illegal, dishonest or unethical conduct.

We hold periodic training to ensure that all employees comply with the relevant laws, rules and regulations associated with their employment, including laws prohibiting insider trading (which are discussed in further detail in Section V below). While we do not expect you to memorize every detail of these laws, rules and regulations, we want you to be able to determine when to seek advice from others. If you do have a question in the area of legal compliance, it is important that you not hesitate to seek answers from your supervisor or the **Company's Compliance Officer**.

Disregard of the law will not be tolerated. You should be aware that conduct and records, including emails, are subject to internal and external audits, and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interests to know and comply with our legal and ethical obligations.

B. Administration of the Code

It is your responsibility to be familiar with the Code. Supervising officers are expected to make every reasonable effort to ensure that their subordinate staff continues to comply with the provisions of the Code.

Senior management shall administer the Code, determine matters of interpretation, and coordinate periodic changes to the Code. The continued implementation of the Code shall be accomplished by audit, examination and personnel procedures.

You are encouraged to seek the advice of the appropriate supervisor regarding questions of interpretation and of the applicability of the provisions of the Code to a particular situation.

You will be required to sign a written acknowledgment of receipt of a copy of the Code and of any subsequent changes thereto and return the form to the **Human Resources Department** indicating that you have received, read, understand and agree to comply with the Code. The signed acknowledgment form will be located in your personnel file.

Part of your job and ethical responsibility is to help enforce this Code. You should be alert to possible violations and report possible violations to the **Director of Human Resources**. You must cooperate in any internal or external investigations of possible violations. Reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Violations of law, this Code, or other Company policies or procedures should be reported in accordance with Section XI or, complaints concerning financial statements, accounting, internal controls or auditing matters, may also be reported pursuant to **Whistleblower Policy** attached as Exhibit “A”.

Violations of law, this Code or other Company policies or procedures by employees can lead to disciplinary action up to and including termination.

In trying to determine whether any given action is appropriate, use the following test. Imagine that the words you are using or the action you are taking is going to be fully disclosed in the media with all the details, including your photo. If you are uncomfortable with the idea of this information being made public, perhaps you should think again about your words or your course of action.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the **Director of Human Resources**.

## II. CONFLICTS OF INTEREST

Each of us has a responsibility to the Company, our shareholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur.

### A. Policy

It is our policy that directors, officers and employees do not engage in personal conduct which will conflict with the interest of the Company. It is important to avoid even the appearance of a conflict of interest, since the appearance can be as damaging to our reputation as an actual conflict. Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest are prohibited unless specifically authorized as described below.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, and you are not an officer or director of the Company, you should discuss the matter with your supervisor or the **Director of Human Resources** (as further described in Section XI). Supervisors may not authorize conflict of interest matters without first seeking the approval of the **Director of Human Resources** and filing with the **Director of Human Resources** a written description of the authorized activity. If the supervisor is involved in the potential or actual conflict, you should discuss the matter directly with the **Director of Human Resources**. Officers and directors may seek authorization from the **Audit Committee**. Factors that may be considered in evaluating a potential conflict of interest are, among others:

- whether it may interfere with the individual's job performance, responsibilities or morale;
- whether the individual has access to confidential information;
- whether it may interfere with the job performance, responsibilities or morale of others within the organization;
- any potential adverse or beneficial impact on our business;
- any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit (direct or indirect) to the individual;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of our customers, suppliers or other service providers; and
- the extent to which it would appear improper to an outside observer.

B. Loans

Federal law and corporate policy control loans to employees and affiliated persons. The Company shall not maintain credit, arrange for the extension of credit or renew an extension of credit in the form of a personal loan for any director or executive officer, unless otherwise allowed by Section 13(k) of the Securities Exchange Act of 1934, as amended.

C. Acceptance of Gifts

Employees and their immediate families shall not solicit, accept, or retain any benefit themselves or for any third party from any of our customers, any individual or organization doing or seeking to do business with us, or from any other individual or organization based on a Company relationship. In this context, a benefit is regarded as any type of gift, gratuity, service, loan, legacy (except from a relative), fee or compensation, or anything of monetary value.

Specific exception to this prohibition may be made if there is no, and there appears to be no, reasonable likelihood of improper influence in the employee's performance of duties on behalf of the Company. The personal benefit, however, must be one of the following:

- normal business courtesies, such as a meal, refreshment or entertainment of reasonable value, involving no more than ordinary amenities, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions;
- non-cash gifts of reasonable value (under \$200.00) when received at Christmas time or for special occasions, such as a new job, promotion, wedding, or retirement, which represent an expression of friendship;
- gifts based upon kinship, marriage or social relationships entirely beyond and apart from any business relationship;
- unsolicited advertising and promotional material of nominal value;
- awards given by charitable, education, civic, or religious organizations for meritorious contributions or service;
- discounts or rebates on merchandise or services that do not exceed those available to other customers.

Any personal benefit offered or received, other than the exceptions noted above, is to be reported by the employee to the **Department Senior Vice President** who will review the situation and instruct the employee as to the appropriate action. The **Department Senior Vice President** shall keep contemporaneous written records of all such disclosures. The **Department Vice President** shall report any such personal benefit received to the **President/Chief Executive Officer** acting on behalf of the Board. Directors and executive officers will report directly to the **Audit Committee**.

D. Political Contributions

It is our policy to strictly comply with all applicable federal and state political campaign laws. Under federal law, corporations are prohibited from making any contribution or expenditure in connection with any federal election or campaign. Political contributions for nonfederal elections are permissible when originated by the Company, after approval by the **President/Chief Executive Officer**.

Furthermore, it is our policy not to make any political contributions.

E. Outside Activities

We discourage employees from holding outside employment. In those instances where it is justified, written approval from the **Director of Human Resources** is required. No outside employment or activity will be approved which might subject us to criticism or which will impact the employee's productivity.

We encourage individual participation in civic activities. Normally, volunteer efforts must take place outside of regular business hours. If volunteer efforts require business time, prior approval should be obtained by the employee from his or her manager.

Employees are not to act, without prior written approval from the **Director of Human Resources**, as executor, administrator, trustee, guardian or conservator, or in any other fiduciary capacity, whether or not it is related to our business. Employees may act as fiduciary for a family member(s) without prior approval.

It is a conflict of interest to serve as a director of any company that competes with us. Although you may serve as a director of a Company supplier, customer, developer or other business partner, our policy requires that you first obtain approval from the **President/Chief Executive Officer** before accepting a directorship for any company. Any compensation you receive should be commensurate to your responsibilities. Such approval may be conditioned upon the completion of specified actions. Serving as a director of a non-profit organization unrelated to the Company's industry, charity or similar entity does not violate this policy and does not require approval. If you are an officer or director of the Company, you must receive prior approval from the **Audit Committee**.

F. Personal Finances

Personal finances should be managed in responsible manner. Employees and their immediate families should borrow only from reputable organizations which regularly lend money and such borrowing must carry the prevailing rate of interest and not involve favored treatment of any kind. Borrowing from relatives is not subject to restriction. Employees are not permitted to borrow from their co-workers, but should discuss any financial emergency with the **Director of Human Resources**.

G. Personal Investment Activity

While we do not intend to unreasonably limit you in your personal investment activities, it is our policy that you not enter into investment transactions which would create, or give the appearance of creating, a conflict of interest between you and the Company or between the Company and any customer. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

## H. Related Parties

As a general rule, you should avoid conducting Company business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. Significant others include persons living in a spousal or familial fashion with you.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to the **Director of Human Resources** who will consult with the Company's **Chief Financial Officer**. If determined to be material to the Company by the **Chief Financial Officer**, the Company's **Audit Committee** must review and approve in writing in advance such related party transactions. The most significant related party transactions, particularly those involving the Company's directors or executive officers, must be reviewed by the **Board of Directors** and reviewed and approved in writing in advance by the Company's **Audit Committee**. The Company must report all such material related party transactions under applicable accounting rules, federal securities laws, Securities and Exchange Commission rules and regulations, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

The Company prohibits the employment of relatives and significant others in positions or assignments that have a financial dependence or influence (*e.g.*, an auditing or control relationship, or a supervisor/subordinate relationship). The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the **Director of Human Resources** is responsible for determining whether an applicant's or transferee's acknowledged relationship is covered by this policy. The **Director of Human Resources** shall advise all affected applicants and transferees of this policy. Willful withholding of information regarding a prohibited relationship/reporting arrangement may be subject to corrective action, up to and including termination. If a prohibited relationship exists or develops between two employees, the employee in the senior position must bring this to the attention of his/her supervisor. The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

Please contact the **Director of Human Resources** for further guidance.

### I. Giving Advice to Customers

You may occasionally be asked by customers to comment upon the legality of a particular transaction. Since the Company cannot practice law or give legal or tax advice, employees must exercise care in discussing transactions with customers and nothing should be said that might be interpreted as the giving of legal or tax advice.

## III. CORPORATE OPPORTUNITY

Employees, officers and directors may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's **Board of Directors** and the **Board of Directors** declines to pursue such opportunity.

## IV. CONFIDENTIALITY

### A. Customer Information

Safeguarding the confidential financial information concerning our customers is essential in maintaining trust. It is our policy that such confidential information acquired by an employee through his or her employment must be held in the strictest confidence. Such information is to be held for Company purposes and not as a basis for personal gain by an employee. Information regarding a customer may be released to private persons, organizations or governmental bodies that request it generally only with the written consent of the customer involved or upon receipt of a legal document, such as subpoena or court order. Confidential customer information should never be discussed with anyone outside the Company, and only with those within the Company who have a legitimate business need to know. This obligation to keep confidential such information continues not only while an employee is employed by the company, but also continues after such employment ends.

### B. Information Regarding the Company

Financial or other proprietary and/or confidential information regarding the Company is not to be released to any outside person or organization unless it has been published in reports to shareholders, or otherwise made available to the public through authorized news releases. All news media inquiries and other outside inquiries regarding the Company must be referred to the **President/Chief Executive Officer** or **Chief Financial Officer** as stated in our **Policy on Corporate Communications**.

C. Disclosure of Company Confidential Information

To further the Company's business, from time to time our confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Company management that disclosure of confidential information is necessary, you must then contact the **Chief Financial Officer** to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. We have standard nondisclosure agreements suitable for most disclosures.

D. Requests by Regulatory Authorities

The Company and its directors, officers and employees must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Company with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the **Chief Financial Officer**. No financial information may be disclosed without the prior approval of the **Chief Financial Officer**.

V. **OBLIGATIONS UNDER SECURITIES LAWS – “INSIDER” TRADING**

Directors and employees who have access to confidential (or “inside”) information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about the Company or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. You must exercise the utmost care when handling material inside information. We have adopted a separate **Insider Trading Policy** to which you are bound as a condition of your employment here. You should consult the **Insider Trading Policy** for more specific information on the definition of “material inside information” and on buying and selling our securities or securities of companies with which we do business.

VI. **USE OF COMPANY'S ASSETS**

A. General

Protecting the Company's assets is a key fiduciary responsibility of every employee. Care should be taken to ensure that assets are not misappropriated, loaned to others, sold or donated, without appropriate authorization. All Company employees are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Employees who

violate any aspect of this policy, are subject to disciplinary action including immediate termination of employment or the business relationship. Those employees who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion. Company equipment and assets are to be used for Company business purposes only. Employees may not use Company assets for personal use, nor may they allow any other person to use Company assets. Employees who have any questions regarding this policy should bring them to the attention of the Company's **Director of Human Resources**.

B. Physical Access Control

The Company has and will continue to develop procedures covering physical access control to ensure privacy of communications, maintenance of the security of the Company communication equipment and safeguard Company assets from theft, misuse and destruction. You are personally responsible for complying with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis. You must not defeat or cause to be defeated the purpose for which the access control was implemented.

C. Company Funds

You are personally responsible for all Company funds over which you exercise control. Company agents and contractors should not be allowed to exercise control over Company funds. Company funds must be used only for Company business purposes. Every Company employee must take reasonable steps to ensure that the Company receives good value for Company funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Company employees must not use Company funds or Company guaranteed credit cards for any personal purpose.

D. Computers and Other Equipment

We strive to furnish employees with the equipment necessary to efficiently and effectively perform their jobs. Employees must care for that equipment and to use it responsibly primarily for Company business purposes. If Company equipment is used at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Company no longer employs you, you must immediately return all Company equipment. While computers and other electronic devices are made accessible to employees to assist them to perform their jobs and to promote Company's interests, all such computers and electronic devices, whether used entirely or partially on the Company's premises or with the aid of the Company's equipment or resources, must remain fully accessible to the

Company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Company.

Employees should not maintain any expectation of privacy with respect to information transmitted over, received by or stored in any electronic communications device owned, leased or operated in whole or in part by or on behalf of the Company. To the extent permitted by applicable law, we retain the right to gain access to any information received by, transmitted by or stored in any such electronic communications device, by and through its employees, at any time, either with or without an employee's or third party's knowledge, consent or approval. Please refer to the Company's **Communications Policy** in the Employee Handbook for additional information.

E. Software

All software used by employees to conduct Company business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination. The Company's **Information Technology Department** will inspect Company computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed.

F. Electronic Media Usage

The purpose of this policy is to make certain that employees utilize electronic communication devices in a legal, ethical and appropriate manner. This policy addresses the Company's responsibilities and concerns regarding the fair and proper use of all electronic communications devices within the organization, including computers, e-mail, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video conferencing, facsimiles and telephones. Posting or discussing information concerning our products or business on the Internet without the prior written consent of the Company's **President/Chief Executive Officer** or **Chief Financial Officer** is prohibited. Any other form of electronic communication used by employees currently or in the future is also intended to be encompassed under this policy. It is not possible to identify every standard and rule applicable to the use of electronic communications devices. You are therefore encouraged to use sound judgment whenever using any feature of our communications systems. Please refer to the **Communications Policy** in the Employee Handbook for additional information.

## VII. MAINTAINING AND MANAGING RECORDS

### A. General

The purpose of this policy is to set forth and convey the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. Records include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. We are required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees and the Company, and failure to comply with such guidelines may subject the employee to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion.

### B. Records on Legal Hold

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. Legal counsel determines and identifies what types of Company records or documents are required to be placed under a legal hold. Every Company employee must comply with this policy. Failure to comply with this policy may subject the employee to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion, and potentially to criminal prosecution.

The **Chief Financial Officer** or the **Compliance Officer** will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from the Company's legal counsel. **RECORDS OR SUPPORTING DOCUMENTS THAT HAVE BEEN PLACED UNDER A LEGAL HOLD MUST NOT BE DESTROYED, ALTERED OR MODIFIED UNDER ANY CIRCUMSTANCES.** A legal hold remains effective until it is officially released in writing by the Company's legal counsel. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the **Chief Financial Officer** or the **Compliance Officer**.

If you have any questions about this policy you should contact the **Chief Financial Officer** or the **Compliance Officer**.

### C. Document Integrity

The integrity of our records and public disclosure depends on the validity, accuracy and completeness of the information supporting the entries to our books

of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. Our records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in our books and records;
- employees comply with our system of internal controls; and
- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

Our accounting records are also relied upon to produce reports for our management, shareholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the SEC. These reports must provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information about the Company that would be important to enable shareholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures. In addition:

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;

- all employees must cooperate fully with our **Accounting and Internal Auditing Departments**, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

The falsification of any books, records or documents of the Company is grounds for dismissal.

Directors, officers and employees should make accurate representations and conduct themselves in an ethical manner in connection with communications with accountants. No director or employee of the Company shall, directly or indirectly make or cause to be made a materially false or misleading statement to an accountant in connection with an audit, review or examination of the Company's financial statements or the preparation or filing of any document or report required to be filed with the Securities and Exchange Commission. Additionally, no director or employee of the Company shall, directly or indirectly, omit to state or cause another person to state any material fact necessary to in order to make the statements made, in light of the circumstances under which such statements were made not misleading, to an accountant in connection with an audit, review or examination of the Company's financial statements or the preparation or filing of any document or report required to be filed with the Securities and Exchange Commission.

No director, officer and employee, or any other person acting under the direction thereof, shall directly or indirectly take any action to coerce, manipulate, mislead, or fraudulently influence an independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements that are required to be filed with the Securities and Exchange Commission if that person knew or should have known that such action, if successful, could result in rendering the Company's financial statements materially misleading.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the **Director of Human Resources** or one of the other compliance resources described in Section XI or pursuant to **Whistleblower Policy** attached as Exhibit

“A”. Any director who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to the **Audit Committee**.

## VIII. FAIR DEALING

We strive to outperform our competition fairly and honestly. Advantages over our competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or the **Director of Human Resources**, as further described in Section XI.

You are expected to deal fairly with our customers, suppliers, employees and anyone else with whom you have contact in the course of performing your job. No employee may take unfair advantage of anyone through misuse of confidential information, misrepresentation of material facts or any other unfair dealing practice.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, availability, service and reputation, and not on the receipt of special favors.

## IX. MISCELLANEOUS GUIDELINES FOR CONDUCT

### A. Dealing with Competitors

It is our policy to require employees to observe fair and ethical conduct in dealing with our competitors. The making of disparaging remarks regarding our competitors is considered to be inappropriate and unethical. Our strategy is to emphasize the quality and competence of our staff and services. Employees are prohibited from involving the Company in arrangements with its competitors which provide for the setting or controlling of rates, prices, or marketing policies.

### B. Exclusive Dealings

It is our policy that we do not base the sale and/or provision of services to a client upon the condition that the client must purchase other services from us or upon the condition that the client is prohibited from dealing with other suppliers of such services.

C. User Codes and Passwords

Employees who are assigned user codes and establish passwords for the purpose of accessing computer information are prohibited from sharing these codes and passwords with any co-worker. Employees are also prohibited from inputting their user codes and passwords to allow a co-worker to access information at his or her terminal.

D. Electronic Mail (“E-mail”)

Electronic mail (“E-mail”) is a means of communication established for Company business reasons only. Employees who use E-mail for personal messages do so with the knowledge that the Company reserves the right to monitor and/or review all electronic communications if and when it deems appropriate. All E-mail messages, all Company records and the equipment and systems are Company property. Accordingly, Company employees are expected to use the E-mail system properly and not assume that their messages are confidential. Also the improper use of E-mail, e.g. for the purposes of harassment and discriminating behavior, or pornographic distribution will result in disciplinary action up to and including termination.

E. Communication of Information

Employees must communicate information in a manner that ensures full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, government agencies, including the Securities and Exchange Commission, and in other public communications. In all such communications, the employee must act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated. Employees must also provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.

F. Internet

The Internet should not be used for any illegal file sharing of music, videos, software and other copyrighted material. Viewing, downloading or distributing pornography is strictly prohibited.

**X. WAIVERS AND AMENDMENTS**

Any waiver of any provision of this Code for a member of the Company's Board of Directors, executive officer or principal financial officer, principal accounting officer or controller, or persons performing similar functions must be approved in writing by the Company's Board of Directors and promptly disclosed in accordance with law. Any such

waivers of the Code with will require disclosure in a Form 8-K within 5 business days or, if allowed under applicable laws and regulations, posting on the Company's Website.

Any waiver of any provision of this Code with respect to any other employee must be approved in writing by the Company's **Director of Human Resources**.

This Code may be amended by the **Board of Directors**. This Code may also be updated by the **Director of Human Resources** with appropriate approval of the **Board of Directors**. If any amendment applies to the Company's principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions that relates to (A) honest and ethical conduct, (B) full, fair and accurate disclosure in reports and documents filed with the Securities and Exchange Commission and other public communications made by the Company, (C) compliance with applicable governmental laws, rules and regulations, (D) the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code and (E) accountability for adherence to the Code, then the Company shall disclose the amendment on a Form 8-K within 5 business days or posting on the Company's Website.

## **XI. COMPLIANCE STANDARDS AND PROCEDURES – REPORTING AND INVESTIGATING MISCONDUCT**

### **A. Compliance Resources**

To facilitate compliance with this Code, we have implemented a program of Code awareness, training and review. The **Director of Human Resources** is a person to whom you can address any questions or concerns. The **Director of Human Resources** can be reached at 1-949-224-1226. In addition to fielding questions or concerns with respect to potential violations of this Code, the **Director of Human Resources** is responsible for:

- investigating possible violations of the Code;
- training new employees in Code policies;
- providing training materials annually to each employee with a reminder that each employee is responsible for reading, understanding and complying with the Code;
- updating the Code as needed and alerting employees to any updates, with appropriate approval of the **Board of Directors**, to reflect changes in the law, Company operations and in recognized best practices, and to reflect Company experience, it being understood that updates may need to be disclosed pursuant to Article X of this Code; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

Your most immediate resource for any matter related to the Code is your supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with the **Director of Human Resources**. If you are uncomfortable speaking with the **Director of Human Resources** because he or she works in your department or is one of your supervisors, please contact Company's **Compliance Officer**.

If you have questions about the Company policy, need guidance on specific situations or want to report violations of the Code, see Section B below.

**B. Clarifying Questions and Concerns; Reporting Possible Violations**

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the **Director of Human Resources** even the appearance of impropriety can be very damaging and should be avoided.

If you are aware of a suspected or actual violation of Code standards by others, you have a responsibility to report it. You are expected to promptly provide a compliance resource with a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation. Whether you choose to speak with your supervisor or the **Director of Human Resources**, you should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against you, up to and including termination of employment.

Supervisors must promptly report any complaints or observations of Code violations to the **Director of Human Resources**. The **Director of Human Resources** will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Your cooperation in the investigation will be expected. As needed, the **Director of Human Resources** will consult with **legal counsel** and/or the **Audit Committee** of the Board of Directors

If the investigation indicates that a violation of the Code has probably occurred, we will take such action as we believe to be appropriate under the circumstances. If we determine that an employee is responsible for a Code violation, he or she will be subject to disciplinary action up to, and including termination of employment and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future Code violations.

Anyone can communicate with the **Director of Human Resources**, either anonymously or by name, by any of the following methods:

- In writing, addressed to the **Director of Human Resources** by U.S. mail to 3990 Westerly Place, Suite 200, Newport Beach, CA 92660.
- By phone at 1-949-224-1226.
- By e-mail to the **Director of Human Resources** (sfriederichsen@upfc.com)

In addition, complaints or concerns regarding financial statements, accounting, internal controls, or auditing matters may be reported pursuant to the **Whistleblower Policy** attached as Exhibit “A”.

## **XII. DISCIPLINARY ACTIONS**

The matters covered in this Code are of the utmost importance to the Company, its shareholders and its business partners, and are essential to the Company’s ability to conduct its business in accordance with its stated values. We expect all of our directors, officers and employees to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against any director, officer or employee whose actions are found to violate these policies or any other policies of the Company. Disciplinary actions may include immediate termination of employment or business relationship at the Company’s sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

**WHISTLEBLOWER POLICY****EXHIBIT "A"**

Section 301 of the Sarbanes-Oxley Act and Rule 10A-3(b)(3) of the Securities Exchange Act of 1934, as amended, requires the Audit Committee of the Board of Directors of United PanAm Financial Corp. (the "Company") to establish procedures for the submission of complaints or concerns regarding financial statements, accounting, internal controls or auditing matters.

Accordingly, the Audit Committee has adopted the following procedures:

1. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, to the **Director of Human Resources** any good faith concerns regarding the Company's financial statements, accounting, internal accounting controls or auditing matters. See Code of Personal and Business Conduct and Ethics, Section XI – Reporting and Investigation Misconduct.
2. The **Director of Human Resources** shall promptly forward to the **Audit Committee** any complaints that it has received regarding the Company's financial statements, accounting, internal accounting controls or auditing matters.
3. If the employee would prefer an alternative anonymous method of contact, the employee may contact the **Audit Committee Chairman** using the toll free "Employee Whistleblower Hotline" contact information set forth below.
4. Following the receipt of any complaints submitted hereunder, the **Audit Committee** will investigate each matter so reported and take corrective and disciplinary actions, if appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay or termination of employment.
5. The **Audit Committee** may enlist committee members, employees of the Company or its subsidiaries and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding the Company's financial statements, accounting, internal accounting controls or auditing matters. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.
6. The Company does not permit retaliation of any kind against employees for complaints submitted hereunder that are made in good faith. Additionally, no employee shall be adversely affected because the employee refuses to carry out a directive which, in fact, constitutes corporate fraud, or is a violation of state or federal law or the Company's Code of Personal and Business Conduct and Ethics.

7. The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven (7) years.

**Contact Information**

Ron R. Duncanson  
Audit Committee Chairman  
“Employee Whistleblower Hotline”  
1-866-310-3519

Stacy Friederichsen  
Director of Human Resources  
3990 Westerly Place, Suite 200  
Newport Beach, CA 92660  
1-949-224-1226

Maria E. Delgado  
UPFC Compliance Officer  
1860 El Camino Real, Suite 406  
Burlingame, CA 94060  
650-552-0820 x249

**ACKNOWLEDGMENT OF RECEIPT OF CODE OF PERSONAL AND  
BUSINESS CONDUCT AND ETHICS**

I have received and read the Company's Code of Personal and Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Personal and Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Code of Personal and Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Personal and Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult my manager or the Director of Human Resources, knowing that my questions or reports to these sources will be maintained in confidence.

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Name

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Signature

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Date

Note: All directors, officers, exempt and non-exempt employees must sign and return this form to the Human Resources Department.