



Monthly Bulletin

Volume 8, Number 12

June 2005

Key Personnel Changes in the San Diego Office

Albert Marquez was promoted to Financial Institution Manager, replacing Michael Curran, who resigned effective June 10 to accept a position in the private sector. Mr. Marquez started with the State Banking Department in 1987. He has worked in the San Francisco, Los Angeles and San Diego offices and was promoted to Financial Institutions Supervisor late last year. Mr. Marquez received his Bachelor's degree from UCLA and his MBA from San Diego State University.

Carol Rhyne was promoted to the San Diego Office Financial Institution Supervisor position, filling the vacancy created when Albert Marquez was promoted to Financial Institutions Manager. Ms. Rhyne began her career with the State Banking Department in August 1992 and was promoted to Senior Examiner in January 2001. She earned her Bachelor's and Master's degrees from the University of Missouri, and an MBA in Finance from Northwestern University's Kellogg School of Management.

9th Circuit Holds California Financial Information Privacy Law Partially Preempted

The 9th U.S. Circuit Court of Appeals ruled, on June 20, 2005, that federal law preempts a portion of California's Financial Information Privacy Act (commonly referred to as "SB-1"). In its Decision reversing the U.S District Court (which had ruled that SB-1 was not preempted), the 9th Circuit held that relevant credit information restrictions in the federal Fair Credit Reporting Act preempt the affiliate information sharing restrictions of SB-1. The Appeals Court left open the question of whether there may exist categories of information covered under SB-1's affiliate information sharing restrictions which are not preempted, and remanded the case back to the District Court with instructions to make this determination.

Because the exact scope of preemption will not be known until the District Court has considered the matter on remand and issued its Decision, licensees are reminded that any change in the status quo regarding compliance with SB-1 would be premature. The Department will continue to monitor compliance with SB-1's provisions regarding information sharing with affiliates as well as with non-

111 Pine Street, Suite 1100, San Francisco, CA 94111-5613
300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
1810—13th Street, Sacramento, CA 95814-7118
7575 Metropolitan Drive, Suite 108, San Diego, CA 92108-4421
Consumer Compliance

(415) 263-8500
(213) 897-2085
(916) 322-5966
(619) 682-7227
(800) 622-0620

affiliates. The Department will also require licensee verification of compliance by completion of the management certification form until further direction is received from the District Court. Questions regarding SB-1 compliance may be referred to Tony Lehtonen in the Department's Legal Division at (916) 322-5979 or by email to tlehtonen@dfi.ca.gov.

Final Rule on Customer Identification Program

On April 28, 2005, the staff of the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Financial Crimes Enforcement Network, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision, and the United States Department of the Treasury ("Federal Agencies") issued an interagency interpretive guidance regarding the application of 31 C.F.R. Section 103.121. This joint regulation implements section 326 of the USA PATRIOT Act and requires banks, savings associations, credit unions, and certain non-federally regulated banks (i.e., state-chartered independent trust companies) to have a Customer Identification Program ("CIP").

The Department of Financial Institutions ("DFI") expects its licensees to comply with the final CIP rule. The Interagency Interpretive Guidance on the final CIP rule is available at: http://www.fincen.gov/wn_main.html

Money Transmitters Must Provide Prior Notice of Branch Closures and Relocations

Money transmitters are reminded of their obligation to provide 60 days prior written notice to the Commissioner and the public of the discontinuation or closure of a branch office, whether it is licensee branch office or an agent branch office. Financial Code section 1805(g). Additionally, money transmitters must provide 30 days prior written notice to the Commissioner and the public before they may relocate a licensee or agent branch office. Financial Code section 1805.5.

We understand that some licensee have relied on the quarterly report of agents alone to communicate to the Department when a branch office has been closed or relocated. However, the quarterly report is not a substitute for the prior written notices the Department must receive in advance of the closure or relocation of a branch office. The Department relies on current and accurate information on the location of all money transmitter branches for many reasons, such as for responding to law enforcement requests and for assessing annual fees under Financial Code section 1801.

2004-05 Assessment Due Remit Fees to DFI by EFT Payment

Assessment invoices were mailed to the following licensees on June 30, 2005. This is the second year that licensees may remit payments by electronic funds transfer (EFT). This enables us to better manage its funds by reducing or eliminating costly and time-consuming manual processes. Please refer to the cover letter and assessment invoice for more information about this payment option or contact Eli Karam at (415) 263-8525 or by e-mail at ekaram@dfi.ca.gov.

Banks, Foreign Banks and Trust Companies

For the purposes of this assessment, the base rate is being set at \$1.36, up one cent from the \$1.35 assessment that has been in place since 2003. Invoices were mailed to each licensee on June 30, 2005 and become delinquent if not paid by July 20, 2005. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Industrial Banks

The assessment rate for industrial banks this year at \$0.80231 per thousand dollars of total assets has remained unchanged since 2003. Invoices were mailed to each licensee on June 30, 2005 and become delinquent if not paid by July 20, 2005. Insurance premium finance companies will be assessed on November 30, 2005. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Credit Unions

The 2005-06 assessment rate was reduced to \$0.547282343 from last year's rate of \$0.647282343 per thousand dollars of total assets. Invoices were mailed to each licensee on June 30, 2005 and become delinquent if not paid by July 20, 2005. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Executive Officer Compensation Survey

Forms for the 28th Annual Executive Officer and Director Compensation Survey as of June 30, 2005 are in the process of being mailed to the CEOs of all state-chartered banks, industrial banks and national banks headquartered in California as of that date. Recipients are asked to respond by August 1, 2005 so the results can be compiled into a summary report that will be mailed to participating banks in the fall. If you do not receive your forms, please contact Patrick Carroll at (415) 263-8559 or by e-mail at pcarroll@dfi.ca.gov.

The survey results for the 27th Annual Executive Officer and Director Compensation Survey as of June 30, 2004 as well as the forms for the 2005 survey that were recently mailed are now available at <http://www.dfi.ca.gov/execsum/default.asp>.

Commercial Bank Activity

New Bank

Bank of Santa Barbara
10 East Figueroa Street, City and County of Santa Barbara
Correspondent: Joseph D. Reid III
Capitol Bancorp Limited
200 Washington Square North
Lansing, MI 48933
(517) 372-1376
Approved: 6/16/05

New Bank (Continued)

Community Business Bank
710 Riverpoint Center, West Sacramento, Yolo County
Correspondent: John A. DiMichelle
1215 K Street, Suite 1726
Sacramento, CA 95814
(916) 503-2265
Filed: 6/10/05

Desert Commercial Bank
44701 Village Court Drive, Palm Desert, Riverside County
(760) 340-7595
Officers: A. Albert Roensch, President & Chief Executive Officer
Keith L. Brians, Senior Vice President & Chief Financial Officer
Robert A. Koch, Senior Vice President & Chief Credit Officer
Capitalization: \$16,500,000.00
Opened: 6/16/05

First Standard Bank
1000 Wilshire Boulevard, Suite 100, City and County of Los Angeles
(213) 892-9999
Website: <http://www.firststandardbank.com>
Officers: Bon Tai Goo, President & Chief Executive Officer
Yong Hwa Kim, Chief Financial Officer
Haekyong (Jane) Kim, Chief Credit Officer
Capitalization: \$22,107,393.00
Opened: 6/10/05

Fresno First Bank
7762 N. Palm Avenue, City and County of Fresno
Correspondent: James H. Avery
James H. Avery Company
P.O. Box 3009
San Luis Obispo, CA 93403
(805) 544-5477
Approved: 6/9/05

The Private Bank of California
10100 Santa Monica Boulevard, City and County of Los Angeles
Correspondent: Maryam Hamzeh
Carpenter & Company
Five Park Plaza, Suite 950
Irvine, CA 92614-8527
(949) 261-8888
Approved: 6/15/05

New Banks (Continued)

Security Bank of California
3403 Tenth Street, Suite 830, City and County of Riverside, CA 92501
(951) 368-2265
Web address: <http://www.securitybankca.com>
Officers: Michael T. Vanderpool, President & Chief Credit Officer
Ernie W. Hwang, Executive Vice President & Chief Loan Officer
Larry Patapoff, Senior Vice President & Chief Financial Officer
Capitalization: \$17,600,000.00
Opened: 6/20/05

Merger

Western State Bank, Duarte, to merge with/into VWF Acquisition Corporation, Inc., El Segundo
Filed: 6/16/05

Change of Name

First State Bank of California to change its name to First Private Bank & Trust
Approved: 6/8/05

Sun Country Bank to change its name to American Security Bank
Approved: 6/8/05
Effected: 6/9/05

Western State Bank to change its name to Venture West Bank
Filed: 6/16/05

Application For Trust Powers

First State Bank of California
10820 Zelzah Avenue, Granada Hills, Los Angeles County
Approved: 6/06/05

Acquisition of Control

FCB Bancorp, to acquire control of South Coast Bancorp, Inc. and South Coast Commercial Bank
Filed: 6/27/05

First Bank, to acquire control of International Bank of California
Filed: 6/28/05

VWF Acquisition Corporation, Inc., to acquire control of Western State Bank
Filed: 6/16/05

Acquisition of Branch Office

Savings Bank of Mendocino County, to acquire the North Lakeport Branch of Westamerica Bank
Effected: 6/10/05

Conversion to State Charter

Temecula Valley Bank, N.A., Temecula, to convert to state charter under the name Temecula Valley Bank

Approved: 6/23/05

Effected: 6/29/05

Foreign (Other State) Bank Application**New Facility**

Axis Mortgage & Investments, A Division of The Biltmore Bank of Arizona (Facility – Insured Bank)

- 11 Platinum Circle, Ladera Ranch, Orange County, California
- 28181 Sorrento, Laguna Niguel, Orange County, California
- 37 Maple Leaf, Mission Viejo, Orange County, California
- 34084 Ruby Lantern Street, Dana Point, Orange County, California

Notified: 5/23/05

Opened: 5/30/05

Bank of Las Vegas, The (Facility – Insured Bank)

19772 MacArthur Boulevard, Irvine, Orange County

Notified: 6/24/05

Texas Capital Bank, N.A. (Facility – Insured Bank)

260 Newport Center Drive, Newport Beach, Orange County

Notified: 6/6/05

Opened: 5/6/05

Credit Union Activity**Merger**

Church of God Credit Union, Wichita, Kansas, with and into America's Christian Credit Union, Brea

Effected: 5/24/05

Delta Valley Credit Union, Stockton, with and into Financial Center Credit Union, Stockton

Approved: 6/1/05

Field of Membership

Six credit unions received approvals to add 24 new fields of membership during May 2005.

Bylaw Amendment

One credit unions received approval for one bylaw amendments during May 2005.

Variance

One credit union received one approval for a request for variance to sections of the California Code of Regulations during May 2005.

Transmitter of Money Abroad Activity**Acquisition of Control**

Apax Partnerships, to acquire control of Travelex Currency Services Inc.
Approved: 6/17/05

First Data Corporation to acquire control of Vigo Remittance Corp.
Filed: 5/26/05

Gagik Asatryan and Tigran Ovakimian, to acquire control of Armenian Express, Inc., amended to Tigran Ovakimian, to acquire control of Armenian Express, Inc.
Amended: 5/27/05

HOWARD GOULD
Commissioner of Financial Institutions

Bulletin for Month ended
June 2005, issued pursuant
to Financial Code section 258



The *Monthly Bulletin* is available without charge via e-mail. To subscribe, go to <http://www.dfi.ca.gov/bulletin/subscription/public.asp>. To unsubscribe, send a blank e-mail to leave-dfi_public@blizzard.sparklist.com. Contact the list administration team at bulletin@dfi.ca.gov