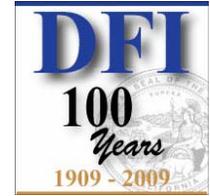




# Monthly Bulletin



Volume 13, Number 1

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## Information on How to Bid on a Failing Bank

As the headlines have announced, 72 banks nationwide have failed thus far in 2009 and, unfortunately, there are likely to be more. This however, may provide an opportunity for healthier banks to acquire deposits, branches, or even whole bank acquisitions with assistance from the FDIC, Division of Resolutions and Receiverships (DRR). This includes both failing California banks as well as interstate banks headquartered in other states. If your board is interested in bidding on banks, please complete the FDICconnect module called “Acquiring a Failed Financial Institution” or send an email to [Institutionsales@fdic.gov](mailto:Institutionsales@fdic.gov). Potential bidders need to provide the DRR with two bank contacts (a primary and secondary), and their state and size preferences.

According to DRR, all banks and thrifts can potentially be added to a bidders list if they are in good standing with their regulators and meet the geographic and size criteria used by the DRR, which will vary from bank to bank. Once the bank has established their profile, upcoming opportunities that meet the bank's established preference will be sent to the bank via e-mail. If your bank has the ability to raise additional capital in conjunction with an acquisition and desires to be considered for bidding on larger transactions, please contact the FDIC directly so that this information can be included in your bank's profile.

For information on obtaining DFI clearance to bid on failing institutions, please see the DFI's January 2009 *Monthly Bulletin* at: <http://www.dfi.ca.gov/publications/bulletins/2009/january09.pdf>.

The DFI urges its licensees to consider transactions that make sense to their overall strategic plan and preserves the health of their institution. Should you have further questions, please contact Chief Examiner Craig Carlson at 619-682-7222 or [ccarlson@dfi.ca.gov](mailto:ccarlson@dfi.ca.gov).

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## **Reimbursement for Extraordinary Attention and Extra Examination Costs**

This is a reminder that pursuant to Financial Code section 1901(a), every bank and foreign bank that is either examined by DFI more frequently than required by statute or, where the duration of the examination exceeds the average of hours spent on the prior two DFI examinations, because of its less than satisfactory condition (ratings of 3, 4 or 5) will be billed at the rate of \$75 per hour per examiner engaged in the examination or for the excess over the average hours. Also, every bank and foreign bank that receives extraordinary attention either due to its less than satisfactory condition (ratings of 3, 4 or 5) or as necessary or advisable in the judgment of the Commissioner for other reasons, will be billed at the rate of \$75 per hour per employee involved in providing the extraordinary attention plus other Department expenses. Those employees include, but are not limited to, Department executives, managers, examiners and attorneys.

“Extraordinary attention” includes, but is not limited to, preparation and negotiation of enforcement actions, reviewing materials required under enforcement actions, traveling to and participating in meetings with management/directors, attorneys, consultants and regulators, conducting visitations and reviewing other correspondence relating to ongoing supervision activities of the bank or foreign bank. Other Department expenses include, but are not limited to, travel and per diem expenses in providing the extraordinary attention.

Billing for extra examinations and for extraordinary attention will continue until such time as the bank or foreign bank is restored to a satisfactory condition.

This requirement is so the added costs to the Department of banks operating in less than satisfactory condition (ratings of 3, 4 or 5) are borne by the institutions that generate those costs and are not subsidized by banks operating in satisfactory condition that do not require extra examinations or extraordinary attention.

Please note that we will make every attempt to be efficient in our examinations and in any extraordinary attention involving institutions in order to minimize the associated cost burden.

## **Loan Modification Scams Purporting to be from Lender**

It has come to our attention that perpetrators of loan modification scams are using publicly-available mortgage information to send out “offers” to borrowers that appear to be endorsed by or offered by the lender. In the cases we have seen, the lenders had no knowledge of the scam until it was brought to their attention by an alert borrower who became suspicious.

DFI encourages mortgage lenders to alert all their staff to loan modification scams and to promptly report them to their management and to the local district attorney or State Attorney General’s office, as appropriate.

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## Liquidation and Sale of Temecula Valley Bank

On Friday, July 17, 2009, the Commissioner of Financial Institutions took possession of Temecula Valley Bank and ordered that it be liquidated. The Commissioner then appointed the Federal Deposit Insurance Corporation (“FDIC”) as Liquidator, and the FDIC accepted the appointment. The FDIC subsequently sold the branch deposits and substantially all assets of Temecula Valley Bank to First-Citizens Bank & Trust Company of Raleigh, North Carolina.

## Census 2010

Census regional convenings are being held throughout the state through September. The convenings bring community based organizations, business including the financial industry, and individuals together to partner as 2010 Census Partners to maximize the number of Californians counted in 2010. The August convenings will take place in Salinas, San Diego, Ukiah, Camarillo, Downtown LA, and Oroville. For more information on the regional convenings and to register to attend any of them, please visit <http://www.cce.csus.edu/conferences/census/index.htm>.

2010 Census Partners are government, non-profit, corporate or community organizations that have formally pledged their commitment to share the 2010 Census message and mobilize their constituents in support of the Census Bureau's goal of achieving a complete count. Learn more about becoming a Census partner by attending a regional convening in your community and/or by visiting the Census Bureau's Web site, <http://2010.census.gov/partners/partners/>.

The Census Bureau has developed a wide array of materials for 2010 Census Partners that can be downloaded and printed. These materials provide audience-specific information for general partners, businesses, elected officials and tribal governments as well as faith-based, education, media and community-based organizations. While all materials are suitable for use at the national and regional levels, you may customize any of them to better suit your particular needs. To review the materials, visit <http://2010.census.gov/partners/materials/>.

## Commercial Bank Activity

### Merger

Discovery Bank, San Marcos, to merge with and into CommerceWest Bank, N.A. Irvine  
Effected: 7/24/09

### Purchase of Partial Business Unit

Bank of Stockton, Stockton, to acquire the Sonora Branch of Wachovia Bank, N.A., Charlotte, North Carolina  
Effected: 7/24/09

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# Premium Finance Company Activity

## New Premium Finance Company

G&G Premium Finance, Inc.  
5210 Lewis Road, Agoura Hills, Los Angeles County  
Approved: 8/1/08  
Opened: 8/1/08

gotoPremiumFinance.com, Inc.  
21820 Burbank Boulevard, Woodland Hills, Los Angeles County  
Filed: 7/23/09

## Credit Union Activity

### Bylaw Amendment

Two credit unions received approval for two bylaw amendments during June 2009.

### Merger

Alisos Credit Union, Norwalk, to merge with and into Camino Federal Credit Union, Montebello  
Effected: 7/1/09

American River HealthPro Credit Union, Rancho Cordova, to merge with and into SAFE Credit Union,  
North Highlands  
Effected: 7/1/09

Cityside Federal Credit Union, Los Angeles, to merge with and into Southland Credit Union, Los  
Angeles  
Effected: 7/31/09

Financial 21 Community Credit Union, San Diego, to merge with and into California Coast Credit  
Union, San Diego  
Effected: 7/1/09

Printing & Publishing Employees Credit Union, Riverside, to merge with and into Printing Industries  
Credit Union, Los Angeles  
Filed: 7/20/09

Yamaha Employees Federal Credit Union, Buena Park, to merge with and into California Agribusiness  
Credit Union, Buena Park  
Approved: 6/18/09  
Effected: 7/16/09

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## Foreign (Other Nation) Bank Activity

### New Office

United Overseas Bank Limited  
777 South Figueroa Street, City and County of Los Angeles (Upgrade from Depository agency to Wholesale branch office)  
Approved: 7/2/09

### Discontinuance

Standard Chartered Bank

- Koll Center, 501 West Broadway, City and County of San Diego (Representative office)
- 425 Market Street, City and County of San Francisco (Representative office)

Filed: 7/2/09

### Voluntary Surrender of License

Commerzbank Aktiengesellschaft  
633 West Fifth Street, City and County of Los Angeles (Limited branch office)  
Notified: 7/2/09

## Transmitter of Money Abroad Activity

### New Transmitter

World Transfers Inc.  
Filed: 7/2/09

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WILLIAM S. HARAF  
Commissioner of Financial Institutions

Bulletin for Month ended  
July 2009, issued pursuant  
to Financial Code section 258

