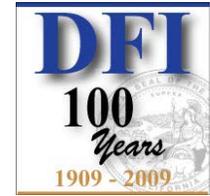




Monthly Bulletin



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Message from the Commissioner

During my first six weeks as Commissioner, I focused on meeting with government and industry officials and leaders with whom DFI works to accomplish our mission, achieve our goals and maintain trust and confidence in our financial institutions. I addressed participants of the National Association of State Credit Union Supervisors (NASCUS) Directors' College, participated in the California Bankers Association Annual Convention, met with the Federal Reserve Bank of San Francisco, the Federal Deposit Insurance Corporation, National Credit Union Association, National Money Transmitter Association, Conference of State Bank Supervisors, Consumer Financial Protection Bureau and Financial Crimes Enforcement Network, nonprofit organizations providing financial literacy and empowerment services to underserved communities and had one on one meetings with banks, credit unions and money transmitters, large and small.

I also studied the condition of many state-chartered financial institutions as part of our examination and application processes. The safety and soundness of our licensees is of vital interest to DFI. California's financial institutions make a critical contribution to the prosperity of their communities, the state and the nation. Despite the recent financial crisis, the majority of state-chartered financial institutions are safe and sound. But we all need to focus on addressing current problems and preparing for the future and the success of our organization and industry. DFI continues to make efforts to improve our understanding of the economic and regulatory challenges affecting licensees and to foster constructive supervisory relationships that ultimately result in safe and sound financial institutions. Two-way communication between DFI and financial institutions is critical as we work together to restore and maintain confidence and trust in the financial system.

During my first week at DFI, I realized that the Bank on California program was in need of renewed state leadership. I have taken on this role and I'm honored to work with the city mayors and treasurers, banks and credit unions and community organizations from across the state to bring working Californians without bank accounts into the financial mainstream. Bank on California is the first and largest state initiative and serves as an excellent model for states across the country. I commend the Bank on California financial institution partners, both banks and credit unions that are working with government and community organizations to address the needs of the unbanked and underbanked. I look forward to seeing more volunteer banks and credit unions participating in this program to financially empower and enable more people in California. We all need a safe and affordable place to save our money and have access to financial services.

In April, I was excited to participate in California Financial Literacy Month. Financial education and literacy empowers people to make informed financial decisions and provides them with skills to reach their financial goals. I was pleased to see organizations across the state, including DFI and our licensees, working together to reach out to communities and give consumers, including youth, the tools and inspiration for a successful financial future.

Lastly, I testified before the Little Hoover Commission's public hearing on the government reorganization plan. My testimony, which addresses how the plan affects DFI, is available on the [Little Hoover Web site](#).

It was a very busy first month and a half and I plan to stay busy working with you on behalf of the people of California in future months. We all have much to do.

I look forward to hearing from you on any of these topics and/or on other topics and issues that are of interest to you. My contact information is below.

Sincerely,

Teveia R. Barnes, Commissioner
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Developing a Social Media Policy

Social Media, Part 4

In the March 2012 DFI Monthly Bulletin, the DFI discussed what financial institutions should include in their Social Media policies and procedures. In this installment, the DFI will discuss the review of information about your financial institution that is available on the Internet. The DFI IT Survey indicated only 40% of financial institutions have someone at the bank reviewing such information. Examples of social media posting sites and search engines include: Yelp, Twitter, Google, and Facebook.

Social media forums are being used by individuals to express opinions regarding recent interactions they have with individuals and/or entities. Often there is a rating system, such as one to five stars, expressing how they perceive the service and/or products, and/or interactions with entity representatives. With a mobile device, an individual can have a positive or negative posting/rating posted in a matter of minutes. Also, a well-known individual using social media could have a significant influence on web users who follow that individual.

A review of a few key sites and/or using a search engine, e.g. Google- using your institution's name, will provide a significant amount of data. Included in this data is how individuals rate your financial institution. In a recent USA Today survey, it was noted that if an individual has a "bad" experience with a person or entity, then 68% stated they would comment on this experience in a social media site.

Conversely, only 50% of individuals stated they would post a comment if the experience was “good”. Therefore, it appears a negative experience will more than likely be posted versus a positive experience.

The DFI recommends that management establish a review process to determine what social media sites are being used to comment on your financial institution. The review should include frequency parameters, depending on the number and types of postings. At this time, Yelp is one of the most commonly used websites for posting comments and ratings. Interviews with financial institution management indicate that the quicker poor comments are dealt with, the better the outcome. Thus, it would appear being proactive in monitoring for and responding to information posted on social media sites could help protect your financial institution’s reputation. Remember, postings are not just local, they can be viewed and remarked on by anyone, anywhere.

This is the final installment in this series of articles on social media. The FFIEC is expected to put out social media guidance for comment in May 2012. The DFI encourages financial institutions to review this guidance and provide feedback to the FFIEC.

Commercial Bank Activity

Acquisition of Control

CU Bancorp, to acquire control of California United Bank
Filed: 3/29/12

Merger

Premier Commercial Bank, N.A., Anaheim, to merge with and into California United Bank, Encino
Filed: 3/29/12

Trust Company Activity

Merger

Bank of Tokyo-Mitsubishi UFJ Trust Company, New York, to merge with and into Bethpage Trust Company of California, Los Angeles
Effectuated: 4/26/12

Bethpage Trust Company of California, Los Angeles, to merge with and into UB Leasing Corporation
Effectuated: 4/26/12

Sale of Partial Business Unit

Bethpage Trust Company of California (In Organization), Los Angeles, to sell partial business unit to Union Bank, N.A., San Francisco

Effected: 4/26/12

Credit Union Activity

Field of Membership

Four credit unions received approval to add four new fields of membership during March 2012.

Bylaw Amendment

Three credit unions received approval for three bylaw amendment during March 2012.

Variance

One credit union received approval for request for variance to sections of the California Code of Regulations during March 2012.

Merger

St. Agnes Hospital Federal Credit Union, Fresno, to merge with and into Educational Employees Credit Union, Fresno

Filed: 2/9/12

Approved: 3/8/12

El Camino Hospital Federal Credit Union, Mountain View, to merge with and into Provident Credit Union, Redwood Shores

Effected: 4/5/12

Electric Federal Credit Union, San Jose, to merge with and into Alliance Credit Union, San Jose

Filed: 4/26/12

Money Transmitter Activity

New Money Transmitter

ADP Payroll Services, Inc.

Approved: 4/26/12

CheckFreePay Corporation

Opened: 4/12/12

New Money Transmitter (Continued)

Commonwealth Foreign Exchange, Inc.
Opened: 4/11/12

ITC Financial Licenses, Inc.
Approved: 4/26/12

Official Payments Corporation
Opened: 4/18/12

Square, Inc
Filed: 4/27/12

TEVEIA R. BARNES
Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code section 376



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