



Monthly Bulletin

Volume 15, Number 8**February 2012**

Commissioner Haraf to Leave DFI

William S. Haraf today announced his departure. He will leave the Department of Financial Institutions (DFI) effective March 16, 2012.

Haraf came to DFI in April 2008 with a long career in commercial and investment banking, the executive branch of the federal government, and academia. In his capacity as Commissioner of Financial Institutions, Haraf serves as the sole state bank regulatory representative on the Financial Stability Oversight Council (FSOC) established by the Dodd-Frank Act. He is also Chairman-Elect of the Board of the Conference of State Bank Supervisors (CSBS). Transition arrangements for these assignments are under preparation.

"It has been an honor to work with California's dynamic financial marketplace and serve two Governors as California's Commissioner of Financial Institutions," said Haraf.

For additional information, please contact Alana Golden, Public Information Officer, alana.golden@dfi.ca.gov or 916-323-7012.

Matthew Newman Promoted to Assistant Deputy

Matthew Newman will be managing a portfolio of banks headquartered mainly in the San Francisco Bay Area. Mr. Newman joined DFI in 2004. He was promoted to Senior Financial Institution Examiner in 2008 and he has been assigned as EIC on large complex and problem institutions ever since. Mr. Newman completed the Leadership Challenge 10 in 2010 and will graduate from the Graduate School of Banking in Colorado this coming summer. He earned a BS in Business Administration from California State University in Sacramento in 2003 and served in the United States Air Force.

DFI Seeks Comments about Potential New Emergency Contact System

DFI is committed to keeping lines of communication open with its licensees. This is especially important during emergencies such as fires, floods, earthquakes or disturbances in the financial markets when there is an urgent need to communicate vital information and normal communication lines may not be functioning.

To that end, DFI is studying the Emergency Contact System (ECS) developed by the Federal Reserve Bank of St. Louis as a possible solution. The purpose of ECS is to enable federal and state regulators to contact financial institutions quickly and simultaneously during a crisis, gather basic information from institutions and provide them with information on state and Fed regulatory actions. ECS is currently in use by state bank supervisors in eleven states, primarily in the Midwest. All institutions with an RSSD number are eligible to participate, such as commercial banks, industrial banks, foreign banking organizations, non-depository trust companies and credit unions. There is no cost to DFI or its licensees for ECS.

ECS is only used to contact institutions during real emergencies and during twice-yearly testing. If adopted, emergency information that licensees have already provided to DFI will be validated and made part of ECS. We do not anticipate that a significant amount of staff time will be required to deploy ECS.

As part of our information gathering process, we are soliciting comment from licensees. For more information please refer to this [flyer](#). Please direct your questions and comments to Patrick Carroll at pcarroll@dfi.ca.gov or by telephone at (415) 263-8559 on or before Friday, March 30.

DFI and NASCUS to Sponsor Directors College Events March 30 and April 11

The California Department of Financial Institutions and the National Association of State Credit Union Supervisors (NASCUS) encourage all credit union board members, supervisory committee members and other volunteers along with credit union management to attend one of two important one-day educational events. The first will be held on March 30, 2011 in San Diego. The event will be held again April 11th in Walnut Creek, just outside San Francisco.

NASCUS' Directors Colleges allow credit union directors and other volunteers, along with senior credit union

staff to hear firsthand about the expectations regulators have of directors. These events also provide an opportunity for networking and sharing best practices in credit union governance with other attendees.

The day features sessions on regulatory expectations of a director, critical compliance issues, and financial literacy for boards and volunteers. NASCUS has planned a special session with RaAnn Wood, Deputy Commissioner for Credit Unions with the California Department of Financial Institutions on the DFI's changing approach to evaluating the Management aspect of CAMEL. Renowned credit union expert and former NCUA Chairman Dennis Dollar will also be on hand to discuss "The Top 10 Things Every Credit Union Director Should Monitor."

To register and see the agenda for the March 30 event in San Diego, click [here](#). The early bird rate for this event is \$169 and expires March 16.

To register and see the agenda for the April 11 event in Walnut Creek, click [here](#). The early bird rate for this event is \$169 and expires March 30.

Please note that credit unions registering three attendees may register a fourth at no cost.

If you have any questions contact Jenny Champagne at jenny@nascus.org or at (703) 528-5974.

California Financial Literacy Month

April 2012

DFI is participating in the 12th Annual California Financial Literacy Month (CAFLM). April is also National Financial Literacy Month. This coordinated consumer education campaign encourages individuals throughout the state to take full advantage of resources designed to improve financial literacy and increase decision making power. This year's CAFLM theme is "Helping Californians Make Informed Financial Decisions," highlighting the importance of making well-informed financial decisions to achieve financial goals.

DFI is also featuring a financial literacy program every day in March on the CAFLM Blog to highlight the activities of government agencies, financial institutions and financial literacy organizations. See the highlighted financial literacy programs at <http://caflm.blogs.ca.gov>.

DFI will also host a Financial Literacy Fair at the State Capitol on Tuesday, April 24, 2012 from 11:00 am – 1:00 pm. DFI and its financial literacy partners will provide free resources to help consumers manage money, credit, investments and debt and learn to avoid identity theft, protect their privacy, and steer clear of financial scams and fraud.

To feature your financial literacy program on the CAFLM Blog or to participate in the Financial Literacy Fair, please contact Alana Golden, Education and Outreach, 916-323-7012 or email alana.golden@dfi.ca.gov.

Developing a Social Media Plan

Social Media, Part 2

In the December 2011 issue of the *Monthly Bulletin*, the DFI discussed social media in general and the results of the IT Survey on this topic. In this installment the DFI will discuss social media plans. As noted previously, only 28 percent of financial institutions stated they had a social media plan. As with implementing any new activity, a financial institution should have a formal plan that establishes goals and objectives.

When preparing to be involved in social media, management and the Board should consider the following questions:

- (1) What does your financial institution expect to gain from using social media?
- (2) How will the plans be implemented and over what period of time?
- (3) Who are the “target” viewers?
- (4) What types of bank activities/postings are planned?
- (5) What types of social media do you plan on using and how do you plan to use them?
- (6) How will the social media activities be managed and by whom – internal and/or external?
- (7) Who will the social media staff report to within your financial institution?
- (8) Who and how will these activities be reviewed/audited?

After determining the types and uses for social media, your financial institution should perform a risk assessment based on the complexity of your goals and objectives prior to implementation. This assessment should identify all key risks (e.g., reputational, legal and operational) for which risk mitigation strategies should be developed and incorporated into the social media plan. By establishing a social media plan, you can gauge whether your goals and objectives are meeting your expectations and adjust accordingly.

As with any technology used, there are risks that your financial institution may be subjected to if the technology is used improperly. This requires establishing appropriate social media policies, standards, and procedures, which will be discussed in a subsequent issue of the DFI *Monthly Bulletin*.

Commercial Bank Activity

Stellar Business Bank, Covina, to merge with and into AltaPacific Bank, Santa Rosa
Effected: 2/17/12

Purchase of Partial Business Unit

Security Bank of California, Riverside, to acquire the Orange branch of Universal Bank, West Covina
Effected: 2/3/12

Credit Union Activity

Field of Membership

One credit union received approval to add one new field of membership during January 2012.

Bylaw Amendment

Two credit unions received approval for two bylaw amendments during January 2012.

Variance

Two credit unions received approval for request for variance to sections of the California Code of Regulations during January 2012.

Premium Finance Company Activity

New Premium Finance Company

Integrity Premium Finance Company, Inc.
8530 La Mesa Boulevard, La Mesa, San Diego County
Withdrawn: 2/1/12

Plainview Premium Finance Company of California, Inc.
555 Capitol Mall, Sacramento, Sacramento County
Filed: 2/23/12

Skipjack Premium Finance Company
275 Sacramento Street, City and County of San Francisco
Filed: 2/22/12

Trust Company Activity

New Trust Company

Bethpage Trust Company of California
445 So. Figueroa Street, Los Angeles, Los Angeles County
Approved: 2/17/12

Merger

Bank of Tokyo-Mitsubishi UFJ Trust Company, New York, to merge with and into Bethpage Trust Company of California, Los Angeles (In Organization)
Approved: 2/17/12

Bethpage Trust Company of California (In Organization), Los Angeles, to merge with and into UB Leasing Corporation
Approved: 2/17/12

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
Approved: 2/17/12

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

SunTrust Bank
350 Tenth Avenue, San Diego, San Diego County
Notified: 2/14/12

Money Transmitter Activity**New Money Transmitter**

Facebook Payments Inc.
Approved: 2/3/12

JPay, Inc.
Opened: 2/9/12

NetSpend Corporation
Filed: 2/28/12

WILLIAM S. HARAF
Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code section 376