



Monthly Bulletin



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June 2013

Message from Commissioner Teveia R. Barnes

Governor's Reorganization Update and Transition

We are just days away from the Governors Reorganization Plan 2 becoming operative. On July 1, the Department of Financial Institutions (DFI) and the Department of Corporations (DOC) will combine to become the new Department of Business Oversight (DBO). The former departments will operate as divisions within the newly-formed Department enabling the core missions and functions of both departments to remain in effect. The examination, enforcement, legal, licensing and other programs will be organized under the Division of Financial Institutions. Scott Cameron will continue to serve as the Chief Examiner for banks, RaAnn Wood will continue to serve as Deputy Commissioner for credit unions; and Robert Venchiarutti will continue to serve as Deputy Commissioner for money transmitters.

Most DFI functions and services will remain the same. The mission to protect Californians through effective regulation and supervision will continue. Core functions of the Department of Financial Institutions will remain unchanged. Consumers, financial institutions and other stakeholders will continue to receive the same level of excellent service that they have come to expect. Existing DFI licenses will remain valid. All applications, examinations and reports will continue to be processed by the Division of Financial Institutions examination and legal staff. The Division will continue to have regional offices in Los Angeles, Sacramento, San Francisco and San Diego. The Division's phone numbers will not change.

Some DFI functions and services will change. A new Commissioner of Business Oversight will be appointed by the Governor, subject to confirmation by the California State Senate. A Senior Deputy Commissioner will also be appointed. Staff email addresses will change to the following protocol, firstname.lastname@dbo.ca.gov (emails to current DFI addresses will be redirected). A new Website will be launched on July 1. Visitors to the DFI Website will be automatically redirected to www.DBO.ca.gov. Learn more about the DBO Website and the location of the Division of Financial Institutions information, news, publications and other resources on the new site in the article below, New Department of Business Oversight Website.

45 Fremont Street, Suite 1700, San Francisco, CA 94105-2219
300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
1810—13th Street, Sacramento, CA 95811
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

The administrative divisions of DFI and DOC have been working together for awhile to achieve a seamless transition. However, we expect that it will still take some time from the official starting date for the DBO to fully assume its new identity and for DFI and DOC to become fully integrated into one department. During this transition, the Division staff members will continue to use their DFI identification and business cards until new ones are received. Signage, voicemail messages, letterhead, etc., are all in the process of being changed.

For 135 years, from the Board of Bank Commissioners in 1878, to the State Banking Department in 1909, to the Department of Financial Institutions in 1997 to the Department of Business Oversight in 2013, California's financial regulatory structure has adapted to keep pace with the institutions under its purview. Today, we look back over more than a century of progress and we look forward to meeting the challenges that will face us tomorrow.

We will continue to work together in an environment that inspires a shared vision.

Please feel free to contact me with any questions or comments regarding GRP2

Sincerely,
Teveia R. Barnes
Commissioner
Department of Financial Institutions
45 Fremont Street, Suite 1700
San Francisco, CA 94105
(415) 263-8507
Teveia.Barnes@dfi.ca.gov

New Department of Business Oversight Website

On July 1, the new Department of Business Oversight Website will replace the former Department of Financial Institutions Website. The DBO Website address is www.DBO.ca.gov. Visitors to the former DFI Website will be automatically redirected to the new site.

A strong focus on content delivery, ease of use and simplicity was the goal for the new site's architecture and navigation. The State of California award-winning template was used, so the site's look and feel will not change. The Homepage tabs remain the same, Consumers, Licensees, Laws, Press, Publications, and Resources. Homepage information will also remain the same with important news and convenient links to popular and important resources including California financial codes, applications and forms, alerts and notices, a licensee directory, enforcement orders, press releases, and other frequently visited areas.

The search function will continue to be powered by Google Search and Google Translation services will be available.

If you have bookmarks and favorites to specific DFI Website pages, they may need to be created again once you locate the information on the new site. Department of Financial Institutions documents, including quarterly and annual reports, financial statistics, and Monthly Bulletins, published prior to July 1, 2013 will be archived on the new site.

If you need assistance locating information on the new site, you can email the [Website Staff](#) who will be happy to direct you.

Extension of Effective Date: Derivative Exposure and the California Lending Limit

The DFI's December 2012 Monthly Bulletin announced that effective July 1, 2013, California state chartered banks shall use the Conversion Factor Matrix Method to determine the credit exposure of derivative transactions for purposes of complying with California's lending limit.

The DFI is extending the effective date to October 1, 2013. This extension will allow the DFI to issue rules for the implementation of section 611 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

If you have any questions, please contact Chief Examiner Scott Cameron at (916) 322-5962 or by e-mail at Scott.Cameron@dfi.ca.gov.

36th Annual Executive Officer and Director Compensation Survey

Soon, the Department of Business Oversight will begin collecting data for the 36th Annual Executive Officer and Director Compensation Survey data from its bank licensees, national banks and federal savings banks. DFI bank licensees will receive an email to their designated email address with a unique link to a secure web site where they will complete the survey online. National banks and federal savings banks will receive a letter inviting them to participate. If you have any questions about the survey, please contact Patrick Carroll at (415) 263-8559 or by e-mail at Patrick.Carroll@dfi.ca.gov.

The survey results for the 35th Annual Executive Officer and Director Compensation Survey as of June 30, 2012 are now available at www.dfi.ca.gov/publications/execsum/default.asp.

Participants in the 2013 survey will receive a PDF of the completed survey results by email upon completion.

DFI Hosts Small Business Lending Fair in Los Angeles on June 13

On June 13, DFI hosted a first-ever conference for small business lenders and the state and federal loan guarantee programs at the Caltrans District 7 Headquarters Building in Los Angeles, California. Our distinguished panel of speakers consisted of:

- Clifton Kellogg, Director of the State Small Business Credit Initiative at the US Department of the Treasury;
- Mark J. Robertson, President/CEO of Pacific Coast Regional Small Business Development Corporation, a Community Development Financial Institution (CDFI);
- Nancee Trombley, California Capital Access Program (CalCAP) Manager and Lead for the State Small Business Credit Initiative Act programs under the California Pollution Control Financing Authority;
- Emerson Hall, Community Affairs Officer for the Federal Deposit Insurance Corporation, San Francisco Region; and
- Natalie Orta, Chief of Business and Economic Development for the Los Angeles District Office of the Small Business Administration.

Lenders learned the latest information about how to tap into the state and federal loan guarantee funds that are available and put them to work in their communities, including \$168.6 million from the Small Business Jobs Act of 2010. Attendees had the opportunity to network during lunch and breaks. There was a general consensus that a conference like this was long overdue and should become a regular event. We are tentatively planning to host the next Small Business Lending Fair in Northern California next year.

Bank On California Update

The Bank On California initiative was launched in December 2008 to help Californians open a bank account and avoid the high cost of alternative financial services and start saving for the future. California is lauded as the first state in the nation to launch the initiative seeking to draw the "unbanked" into the financial mainstream.

In the last year, Bank On California has grown from 8 to 18 cities/counties with active Bank On programs and more communities are researching a Bank On for their region or are in the process of forming a Bank On. Bank On programs are now located in American Canyon, Central Coast (includes Monterey, Salinas, Santa Cruz, and San Benito County), Fresno, Los Angeles, Napa Valley, Oakland, Sacramento (includes Amador, El Dorado, Placer, Sacramento and Yolo), San Francisco, San Jose, Santa Ana/Orange, and Stanislaus.

The Department of Financial Institutions (DFI) has volunteered its leadership and guidance to help keep existing regional programs operating successfully and provide technical assistance to communities that are seeking to start a Bank On program in their region. The FDIC also has been an effective leader to Bank On California as part of their Community Affairs program.

A new [Website](#) recently replaced the previous and aging site that was no longer accessible. All Bank On California regional program information was updated and new resources were added to help existing programs and start-ups.

Bank On California is on Twitter [@BankOnCA](#) and [Facebook](#). Follow us to receive news and other information related to Bank On California and other financial education efforts.

DFI hosted a Bank On California meeting in June with regional program coordinators. It was determined that updated information on financial institution partners was needed. Who are the Bank On California financial institution partners? How do they partner with Bank On California? In which cities/counties do they participate? etc. If you are a Bank On California bank or credit union partner, we encourage you to complete the survey below. If you are not a Bank On California financial institution, but you are interested in becoming a partner, please let us know by completing the survey.

Participation in this survey is voluntary and the Contact Information fields are optional. Your participation is greatly appreciated!

Bank On California [Survey](#).

2013-14 Assessment

Important Notice

Please note that as part of the Governor's Reorganization Plan No. 2 of 2012, the Department of Financial Institutions will become part of the Department of Business Oversight effective July 1, 2013. Due to the transition, the electronic payment option for the assessment is not available this year. Please make checks payable to the Department of Business Oversight.

Commercial Banks, Foreign Banks and Trust Companies

Assessment invoices were mailed to commercial banks, foreign banks and trust companies on June 28, 2013.

For the purposes of this assessment, the base rate was set at \$1.39, the same as last year's rate. Invoices were mailed to each licensee on June 28, 2013 and become delinquent if not paid by July 19, 2013. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Industrial Banks

The assessment rate for industrial banks this year was set at \$1.14 per thousand dollars of total assets, an increase of \$0.15 from last year's rate of \$0.99. The statutory maximum rate is \$2.20 per thousand dollars of total assets. Invoices were mailed to each licensee on June 28, 2013 and become delinquent if not paid by July 19, 2013. Insurance premium finance companies will be assessed on November 30, 2013.

Credit Unions

The 2013-14 assessment rate was set at \$0.82 per thousand dollars of total assets, the same as last year's rate. Invoices were mailed to each licensee on June 28, 2013 and become delinquent if not paid by July 19, 2013. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Money Transmitters

Money Transmissions

The 2012-13 assessment rate was set at \$0.05 per every thousand dollars in transmission money received by a licensee in calendar year 2011, the same as last year's rate. Invoices were mailed to each licensee on June 28, 2013 and become delinquent if not paid by July 19, 2013.

Issuers of Travelers Checks and Payment Instruments

The 2013-14 assessment rate was set at \$0.63 per thousand dollars of total payment instruments and stored value sold by the licensee, the same as last year's rate. Invoices were mailed to each licensee on June 28, 2012 and become delinquent if not paid by July 19, 2013.

Commercial Bank Activity

Merger

BBCN Bank, Los Angeles, California, requests DFI's approval to merge with The Foster Bank, Chicago, Illinois

Filed: 5/20/13

Grandpoint Bank, Los Angeles, California, requests DFI's approval to merge with Bank of Tucson, Tucson, Arizona

Effected: 6/21/13

Grandpoint Bank, Los Angeles, requests DFI's approval to merge with Regents Bank, N.A., La Jolla

Filed: 5/29/13

Pacific Premier Bank, Irvine requests DFI's approval to merge with San Diego Trust Bank, San Diego

Effected: 6/25/13

Credit Union Activity

Field of Membership

One credit union received approval from DFI to add one new field of membership during May 2013.

Bylaw Amendment

Two credit unions received approval from the DFI for two bylaw amendments during May 2013.

Variance

Four credit unions received approval from DFI for a request for variance to sections of the California Code of Regulations during May 2013.

Money Transmitter Activity

New Money Transmitter Application for License

ADP Payroll Services, Inc.
License Issued: 6/25/13

Amazon Payments, Inc.
Approved: 6/27/13

Intuit Payroll Services, Inc.
Filed: 6/3/13

Kuapay, Inc.
Filed: 5/24/13

PayNearMe MT, Inc.
Approved: 6/27/13

PreCash, Inc.
License Issued: 6/20/13

Skrill USA, Inc.
Approved: 6/20/13

Standard Co. USA Inc. D/b/a Standard Express
Filed: 5/30/13

Viamerica Money Services Corporation
Approved: 6/20/13

Acquisition of Control

Total System Services, Inc. requests DFI's approval to acquire control of NetSpend Holdings, Inc. and NetSpend Corporation

Approved: 6/11/13

TEVEIA R. BARNES

Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code section 376



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