



Monthly Bulletin

Volume 8, Number 11

May 2005

Peter Van Hoecke Appointed Legislative Deputy

Peter Van Hoecke was appointed as the Legislative Deputy for the Department of Financial Institutions (DFI) effective . Mr. Van Hoecke will head up a re-organized Office of Legislation, Policy, and Strategic Support in the Division of Administration. In addition to his existing duties, he will fill Paul Diero's vacant CEA I position under the direction of Chief Administrative Officer John Connell.

Mr. Van Hoecke performed the responsibilities of Legislative and Policy Deputy Superintendent of DFI's predecessor agency, the State Banking Department under the leadership of Superintendents James Gilleran and Conrad Hewitt between 1992 and 1996. His experience with the legislative process, as a senior examiner and his tenure as the manager of the Strategic Support Unit have made him well-qualified to perform the responsibilities of his new position. Mr. Van Hoecke can be reached at (916) 322-1571 or by email at phoecke@dfi.ca.gov.

Louise Amegin Appointed EDP Manager

Ms. Louise Amegin was appointed as the new manager of the Department of Financial Institutions (DFI) Examinations – EDP Unit effective May 9, 2005. Ms. Amegin will be the Chief Information Officer which will manage both the Application Development and the Information Services Support (ISS) sections.

Ms. Amegin's experience prior to joining DFI includes having worked at the Department of Finance in the Technology Review and Security Oversight Unit, the Department of Information of Technology, Department of Consumer Affairs and the Employment Development Department. She has significant experience in project management, process improvement, technical writing and work flow engineering. Ms. Amegin may be reached at 916-445-2904 or by email at lamegin@dfi.ca.gov.

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

DFI enters into a Settlement Agreement with Le's Intercontinental Money Transfer, Inc.

On April 26, 2005, the Commissioner of Financial Institutions entered into a settlement agreement with Le's Intercontinental Money Transfer, Inc. ("Le's"), in which Le's agreed to pay \$5,000 to the Department and the Commissioner agreed to take no further action with respect to alleged violation of the Financial Code related to untimely and incomplete reporting.

Absence Policy for Employees in Sensitive Positions

The Department of Financial Institutions (DFI) has been informed by the industry that the Department's policy with respect to absence from work for employees in sensitive positions remains unclear. In December, 2004 the Monthly Bulletin attempted to clarify this issue, but apparently left lingering questions. This bulletin will, as simply as possible, attempt to re-express the Department's policy.

DFI expects each depository institution to have adequate policies and systems of internal controls. Specifically among them, the Department expects institutions to have policies and internal controls that provide guidelines for the absence of employees from their work duties, and particularly the absence of certain identified employees who occupy sensitive positions that pose a high degree of risk from a financial control perspective.

The Department's position on this aspect of internal controls and the expectation for policy and system adequacy does not differ from the position of our federal regulatory counterparts. The Department's position does not require that all employees be absent from their duties for two consecutive weeks (however, some institutions may choose to adopt this as a simple measure to implement element of their internal controls policy), nor does it require that all of the absence be in the form of vacation.

The Department will review the adequacy of the entire body of an institution's internal controls policies and systems at our examinations. The expectation is that an adequate policy will provide that the institution identify employees in sensitive and potentially high risk positions and that these employees be absent from their duties, and not permitted electronic access to the financial or customer management systems, during an absence of at least two weeks. The institution's policies should describe the affected positions, the nature of the activities subject to the absence policy, the means of achieving absence (not necessarily vacation time), an exception monitoring capability, and the use of Director's and Officers and Errors and Omissions insurance to protect the institution. The institution's absence policy is based on the interests of the institution, its regulators, and its customers to minimize fraud, embezzlement, and loss to customers.

Annual Fee Reminder

Invoices mailed for 2005-06 fiscal year

The following institution types are reminded that annual fees are due in this office on or before July 1, 2005.

This year, as part of our ongoing effort to streamline operations, DFI calculated annual fees from its database and mailed invoices based on that calculation to fee payers instead of asking fee payers to calculate their fees and remit the correct amount. Also, for the first time fee payers will now have the option of pay by electronic funds transfer (EFT) in the form of an automated clearing house (ACH) (CCD or CTX payment format). Instructions for making payment were provided in the cover letter that accompanied the invoice.

Representative offices of foreign (other nation) banks

The annual representative license fee for fiscal year 2005-06 is due on or before July 1, 2005. The fee, as outlined in Section 1702(i) of the California Financial Code, is \$250.00 for each California representative office of a foreign (other nation) bank doing business as of June 1, 2005. Invoices were mailed June 1 and must be paid on or before July 1. Fee payers that do not concur with the calculated amounts have until Friday, June 17 to request recalculation or adjustment of the amount. DFI will not entertain any requests received after that date. Those foreign (other nation) banks which also maintain agency or branch offices in California are not subject to this fee. For questions about fees, call (415) 263-8559 or e-mail Patrick Carroll at pcarroll@dfi.ca.gov.

Branch offices of foreign (other state) state banks

The annual fee for fiscal year 2005-06 is due on or before July 1, 2005. The fee, as outlined in Section 3804(d) of the California Financial Code, is \$1,000.00 per California branch office; provided, however that the minimum fee shall not be less than \$3,000.00 and the maximum fee shall not be more than \$50,000.00. Invoices were mailed June 1 and must be paid on or before July 1. Fee payers that do not concur with the calculated amounts have until Friday, June 17 to request recalculation or adjustment of the amount. DFI will not entertain any requests received after that date. For questions about fees, call (415) 263-8559 or e-mail Patrick Carroll at pcarroll@dfi.ca.gov.

Facilities of foreign (other state) banks

The annual fee for fiscal year 2005-06 is due on or before July 1, 2005. The fee, as outlined in Section 3804 (e) of the California Financial Code, is \$250.00 for each facility doing business as of June 1, 2005. Those foreign (other state) banks which also maintain branch offices in California are not subject to this fee. Invoices were mailed June 1 and must be paid on or before July 1. Fee payers that do not concur with the calculated amounts have until Friday, June 17 to request recalculation or adjustment of the amount. DFI will not entertain any requests received after that date. For questions about fees, call (415) 263-8559 or e-mail Patrick Carroll at pcarroll@dfi.ca.gov.

Transmitters of money abroad

The annual fees for fiscal year 2005-06 are due on or before July 1, 2005. The fees, as outlined in Section 1801(a) of the California Financial Code, are: \$2,500.00 for each transmitter of money abroad license; \$125.00 for each licensee branch office; \$25.00 for each agent headquarters office, and \$25.00 for each agent branch office. Invoices were mailed May 5 and must be paid on or before July 1. For questions about fees call (415) 263-8542 or e-mail Meli Brown at mbrown@dfi.ca.gov.

Business and Industrial Development Corporation (BIDCO)

The annual license fee for fiscal year 2005-06 is due on or before July 1, 2005. The fee, as outlined in Section 31115(a)(6), is \$2,000.00 for each BIDCO doing business as of June 1, 2005. . Invoices were mailed June 1 and must be paid on or before July 1. For questions about fees, call (415) 263-8559 or e-mail Patrick Carroll at pcarroll@dfi.ca.gov.

Commercial Bank Activity

New Bank

Bank of San Francisco
575 Market Street, City and County of San Francisco
Correspondent: Joseph D. Reid, III
Capitol Bancorp Limited
200 Washington Square North
Lansing, MI 48933
Approved: 5/13/05

California United Bank
15821 Ventura Boulevard, Encino, Los Angeles County 91436
(818) 257-7700
Fax number: 818-257-7701
Web address is <http://www.californiaunitedbank.com>
Officers: David Rainer, President & CEO
Robert Dennen, Chief Financial Officer
Bruce English, Chief Credit Officer
Capitalization: \$35,000,000
Opened: 5/23/05

First Vietnamese American Bank
8990 Westminster Boulevard, Westminster, Orange County, CA 92683
(714) 894-3105
Fax number: (714) 894-2802
Web address is <http://www.fvab.com>
Officers: Hieu T. Nguyen, President & CEO
Douglas Shearer, Executive Vice President & Chief Credit Officer
John Podlesni, Executive Vice President & Chief Financial Officer
Capitalization: \$15,125,000.00
Opened: 5/11/05

Founders Community Bank

237 Higuera Street, City and County of San Luis Obispo, CA 93401

(805) 543-6500

Officers: Thomas J. Sherman, President and Chief Executive Officer

Gary R. Tanner, Chief Financial Officer

Michael D. Kee, Chief Credit Officer

Capitalization: \$11,000,000.00

Opened: 5/05/05

Plaza Bank

19900 MacArthur Boulevard, Suite 110 & 190, Irvine, Orange County

Correspondent: Grace Wickersham

Carpenter & Company

5 Park Plaza, Suite 950

Irvine, CA 92614

Phone: (949) 261-8888

Approved: 5/27/05

Merger

Sincere Federal Savings Bank, San Francisco, with and into Guaranty Bank of California, Los Angeles

Effected: 5/13/05

Change of Name

Bank of Visalia to change its name to Valley Business Bank

Notified: 5/31/05

Community Banks of Tracy to change of name to Community Banks of Northern California

Notified: 5/31/05

Sun Country Bank to change its name to American Security Bank

Notified: 5/6/05

Acquisition of Control

Mission Valley Bancorp, to acquire control of Mission Valley Bank

Approved: 5/12/05

Oakland Venture Group, to acquire control of Innovative Bancorp and Innovative Bank, Oakland

Approved: 5/13/05

Uniti Financial Corporation, to acquire control of Uniti Bank, Buena Park

Approved: 5/2/05

Premium Finance Company Activity**New Premium Finance Company**

Advent Finance Group
18301 Von Karman, Irvine, Orange County
Correspondent: Rick Scatterday
18301 Von Karman
Irvine, CA 92612
(949) 394-1695
Opened: 5/11/05

Prime Rate Premium Finance of California, Inc.
1920 Main Street, Suite 310, Irvine, Orange County
Correspondent: James R. Lingle
2141 Enterprise Drive
P.O. Box 100507
Florence, South Carolina 29501
(843) 669-0937
Opened: 5/9/05

Western Pacific Finance, Inc.
6046 Cornerstone Court West, Suite 202, City and County of San Diego
Correspondent: David E. Gebhardt
710 N. 2nd Street, Suite 300N
St. Louis, MO 63102
Opened: 5/30/05

Trust Company Activity**Change of Name**

First Union Trust Company of California, to change its name to Wachovia Trust Company of California
Effected: 5/10/05

Foreign (Other Nation) Bank Activity**New Office**

HSH Nordbank AG
101 California Street, City and County of San Francisco (Representative Office) – temporary site
Filed: 5/19/05

Macquarie Bank Limited
10100 Santa Monica Boulevard, City and County of Los Angeles (Representative Office)
18101 Von Karman Avenue, Irvine, Orange County (Representative Office)
Filed: 1/10/05
Approved: 5/6/05

New Office (continued)

The Royal Bank of Scotland
10866 Wilshire Boulevard, City and County of Los Angeles (Representative Office)
Opened: 3/1/05

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

First Mariner Bank

- 510 Bercut Drive, City and County of Sacramento, California
- 865 Herdsman Way, Templeton, San Luis Obispo County, California

Notified: 5/24/05

Credit Union Activity**Merger**

Church of God Credit Union, Wichita, Kansas, with and into America's Christian Credit Union, Brea
Approved: 5/13/05

Marin General Hospital Employees Credit Union, San Rafael, with and into Redwood Credit Union, Santa Rosa

Approved: 3/22/05

Effected: 4/1/05

Field of Membership

Nine credit unions received approvals to add 30 new fields of membership during April 2005.

Bylaw Amendment

Six credit unions received approval for 15 bylaw amendments during April 2005.

Variance

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

Transmitter of Money Abroad Activity

New Transmitter of Money Abroad

Dollar Delivery, Inc.

Filed: 3/14/05

Approved: 5/19/05

Money Express, Inc.

Approved: 5/19/05

Xoom Corporation

Filed: 5/4/05

Voluntary Surrender of License

FinMex, Inc.

Effected: 4/12/04

HOWARD GOULD
Commissioner of Financial Institutions

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



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