

Monthly Bulletin

California Department of Business Oversight



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DBO Undergoing CSBS Re-accreditation of Banking Program, First-Ever Accreditation of Mortgage Program

The DBO's banking and mortgage programs are undergoing a re-accreditation and accreditation review, respectively, performed by the Conference of State Bank Supervisors (CSBS). CSBS representatives have been in the DBO's Sacramento office this week reviewing material submitted by the DBO and interviewing staff.

CSBS officials have indicated they may provide their preliminary results as soon as Aug. 11. The DBO will have an opportunity to respond and comment before the accreditation results become final.

This is the first time the Mortgage Division has gone through the accreditation process. The Banking Division completes the process every five years.

Accreditation involves a comprehensive review of critical program elements to ensure the ability of the banking and mortgage programs to discharge their responsibilities. The review assesses:

- Administration and finances.
- Personnel policies and practices.
- Training programs.
- Examination policies and practices.

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- Supervisory procedures.
- Statutory powers.

To gain accreditation, the DBO must test itself against specified criteria in a Self-Evaluation Questionnaire and achieve a total overall score of not less than 80 percent.



Executive Officer and Director Compensation Survey Reminder

There is still time to participate in the DBO's 39th Annual Executive Officer and Director Compensation Survey. Last month, state banks received an email with a link to the survey, and national banks and federal savings banks received a letter with instructions on how to participate.

If you didn't receive your email or letter, please email licensing@dbo.ca.gov to receive your invitation to participate. All participants will receive at no cost a PDF of the survey results upon completion. Survey results will not be released to the general public until June 2017.

Results for the previous survey, which contained data as of June 30, 2015, are available on the DBO website at [38th Annual Executive Officer and Director Compensation Survey](#).



Fed/CSBS 2016 Community Banking Research Conference to Be Held Sept. 29-30 in St. Louis

Community bankers, academics, policymakers and bank supervisors from around the country will meet Sept. 28-29 in St. Louis for the fourth annual "Community Banking in the 21st Century" research and policy conference.

The conference is hosted by the Federal Reserve System (Fed) and the Conference of State Bank Supervisors (CSBS).

Keynote speakers this year will include Federal Reserve Governor Jerome Powell, Federal Reserve Bank of Chicago President Charles Evans, and H.E. "Gene" Rainbolt, chairman of BancFirst Corp. in Oklahoma City, Okla.



Day-one of the conference will feature presentations of research papers in three sessions. Each session will feature a panel discussion and Q&A led by both a moderator and a community banker.

Another first-day highlight will be a presentation by a team of students from Southeastern Louisiana University who won the 2016 CSBS Community Bank Case Study Competition.

Day-two of the conference will conclude with the release of results from the 2016 Community Banking in the 21st Century national survey and a panel discussion of the survey findings.

For those who cannot attend, the conference will be livestreamed via www.communitybanking.org.

More information about the 2016 conference, as well as videos, papers and presentations from previous conferences can be found at www.communitybanking.org.



FTC to Host Next FinTech Forum on Oct. 26

The Federal Trade Commission (FTC) on Oct. 26 will host its [second FinTech Forum](#), focusing on crowdfunding and peer-to-peer payment systems. DBO participated in the first FTC FinTech Forum held in June.

The half-day forum will bring together industry participants, consumer groups, researchers and government representatives. It will examine various models of crowdfunding and peer-to-peer payment used by companies, the potential benefits to consumers and possible consumer protection concerns. In addition, the forum will look at how existing consumer protection laws might apply to companies participating in these areas.

The event will take place at the FTC's Constitution Center offices, 400 7th St SW, Washington, DC, and will begin at 1 p.m. The event is free and open to the public. No pre-registration is needed. More information is available [here](#).



State Water Conservation Declines to 21.5 Percent in June As Drought Persists

California's water conservation efforts suffered a setback in June, according to the latest numbers from the State Water Resources Control Board (Board). Urban water users reduced their consumption by 21.5 percent compared to June 2013. That compared to a 28.1 percent savings rate in May and a 27.5 percent mark in June of last year.

Cumulatively, local water suppliers have saved 1.75 million acre feet in the 13 months since mandatory conservation goals began – enough water to supply 8.8 million people for a year. The cumulative average savings for the year ending in June was 24.2 percent.

New regulations that took effect in June give local water suppliers more autonomy to set their own conservation goals based on local supply conditions.



The Board, however, has made clear since mid-2014 that it expects suppliers to continue emphasizing water conservation as a top priority during the summer months, when the opportunity for water savings is greatest. For more information on the drought and conservation programs, go to www.ca.gov/drought/.

Commercial Bank Activity

Merger

Coast National Bank, San Luis Obispo, to merge with and into Bank of the Sierra, Porterville
Effected: 7/8/16

Sierra Vista Bank, Folsom, to merge with and into Central Valley Community Bank, Fresno
Approved: 7/22/16

Merger (cont.)

Wilshire Bank, Los Angeles, to merge with and into BBCN Bank, Los Angeles (with a change of name to BANK OF HOPE)

Effectuated: 7/29/16

Acquisition of Control

CBBC Bancorp, to acquire control of Community Business Bank

Approved: 6/28/16

Patriot Financial Partners, GP, L.P., Patriot Financial Partners, L.P., Patriot Financial Partners Parallel, L.P., Patriot Financial Partners GP, LLC, Patriot Financial Manager LLC, Patriot Financial Manager, L.P., to acquire control of Heritage Commerce Corp.

Approved: 7/13/16

Sang Young Lee and Chun Young Lee, to acquire control of Pacific City Bank

Approved: 7/5/16

The Wasserman MVB Trust of 2016, Earle Sawyer Wasserman as trustee on behalf of The Wasserman MVB Trust of 2016 and in his individual capacity, and Louise Linda Wasserman as trustee on behalf of The Wasserman MVB Trust of 2016, to acquire control of Mission Valley Bank

Filed: 7/14/16

Purchase of Partial Business Unit

Bank of the Sierra, Porterville, to acquire the Porterville branch of Citizens Business Bank, Ontario

Effectuated: 5/13/16

Sale of Partial Business Unit

Opus Bank, Irvine, to sell the banking business of the La Quinta branch to Bank of Southern California, N.A., San Diego

Approved: 7/29/16

Credit Union Activity**Merger**

Eagle Credit Union, Lodi, to merge with and into UNIFY Financial Federal Credit Union, Torrance

Approved: 7/1/16

Effectuated: 7/1/16

Foreign (Other State) Bank Activity

New Facility

Devon Bank

4202 Douglas Boulevard, Granite Bay, Placer County (Facility – Insured Bank)

No Objection: 6/2/16

Opened: 7/5/16

Peoples National Bank

City and County of San Diego (Facility – Insured Bank)

No Objection: 7/14/16

Money Transmitter Activity

New Money Transmitter

Adyen, Inc.

Approved: 6/1/16

Chime, Inc.

Approved: 7/11/16

HSI USA Inc.

Filed: 6/6/16

Voluntary Surrender of License

Banif, Inc.

Effectuated: 7/14/16

JAN LYNN OWEN

Commissioner of Business Oversight

