

CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS

SAN FRANCISCO, CALIFORNIA

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )

FIRST BANK OF BEVERLY HILLS )  
CALABASAS, CALIFORNIA )

(INSURED STATE NONMEMBER BANK) )  
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ORDER TO  
CEASE AND DESIST

Docket No. FDIC-09-051b

First Bank of Beverly Hills, Calabasas, California ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices alleged to have been committed by the Bank and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and Section 1912 of the California Financial Code, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with counsel for the Federal Deposit Insurance Corporation ("FDIC"), dated February 10, 2009, and with counsel for the California Department of Financial Institutions (the "Department") dated February 10, 2009, whereby solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and violations of law and/or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and the Department.

The FDIC and the Department considered the matter and determined that they had reason to believe that the Bank had engaged in unsafe or unsound banking practices. The FDIC and the Department, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, pursuant to Financial Code Section 1913 and Section 8(b) of the Act, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from the following unsafe and unsound banking practices: operating with inadequate capital in relation to the kind and quality of assets held by the Bank.

IT IS FURTHER ORDERED, that the Bank, its institution-affiliated parties, and its successors and assigns, take affirmative action as follows:

1. The Bank shall take one or both of the following actions:

(a) Within sixty (60) days of the effective date of this ORDER, the Bank shall increase its Tier 1 capital by not less than \$70,000,000, and thereafter shall maintain its Tier 1 capital in an amount not less than eight (8.0) percent of its total assets. For the purposes of this ORDER, the terms "Tier 1 capital" and "total assets" shall have the meanings ascribed to them in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 325.2(v) and 325.2(x).

(b) Within thirty 30 days of the effective date of this ORDER, the Bank shall enter into a definitive agreement to merge the Bank with and into an insured depository institution or to sell the Bank, or control thereof, to an acquirer, or an investor, which agreement and institution, acquirer or investor shall be acceptable to the Commissioner of the Department ("Commissioner") and the Regional Director of the San Francisco Regional Office of the FDIC ("Regional Director"). The Bank's Board of Directors shall provide the Commissioner and the

Regional Director with a copy of the definitive agreement not later than thirty (30) days from the effective date of this ORDER. The acceptability of the proposed transaction pursuant to this paragraph 1(b) shall be determined following receipt of the definitive agreement.

2. During the life of this ORDER, the Bank shall not make any distribution to its shareholders, except with the prior written approval of the Commissioner and the Regional Director.

3. Beginning two weeks after the effective date of this ORDER and on a bi-weekly basis thereafter, the Bank's Board of Directors shall provide the Commissioner and the Regional Director with a written update on the status of its efforts to recapitalize the Bank in accordance with subparagraph 1(a) of this ORDER, or to effect a merger or acquisition in accordance with subparagraph 1(b) of this ORDER.

4. Following the effective date of this ORDER, the Bank shall send to its shareholder(s) or otherwise furnish a description of this ORDER in conjunction with the Bank's next shareholder communication and also in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Accounting and Securities Section, Washington, D.C. 20429, and the Commissioner at least 15 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC or the Commissioner shall be made prior to dissemination of the description, communication, notice, or statement.

5. The provisions of this ORDER shall not bar, estop or otherwise prevent the FDIC, the Department, or any other federal or state agency or department from taking any action

against the Bank, any of the Bank's current or former institution-affiliated parties, or agents for violations of any laws or regulations, and/or engaging in unsafe or unsound banking practices.

This ORDER will become effective upon its issuance by the FDIC and the Department. Violation of any provision of this ORDER will be deemed to be conducting business in an unsafe or unsound manner, and will subject the Bank to further regulatory enforcement action. The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC and the Department.

Pursuant to delegated authority.

Dated at San Francisco, California, this 13<sup>th</sup> day of February, 2009.

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WILLIAM S. HARAF  
Commissioner  
California Department of Financial Institutions

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J. GEORGE DOERR  
Deputy Regional Director  
Division of Supervision and Consumer Protection  
San Francisco Region  
Federal Deposit Insurance Corporation