FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS

SAN FRANCISCO, CALIFORNIA

IN THE MATTER OF	)	
	)	CONSENT ORDER
INNOVATIVE BANK OAKLAND, CALIFORNIA	)	FDIC-10-111b
(INSURED STATE NONMEMBER BANK)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Innovative Bank, Oakland, California ("Bank") under Section 3(q) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1813(q)(3). The California Department of Financial Institutions ("CDFI") is the appropriate State banking agency for the Bank under Division 1 of the California Financial Code.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a Stipulation to the Issuance of a Consent Order ("Stipulation"), dated March 24, 2010, that is accepted by the FDIC and the CDFI. With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices relating to management, capital, asset quality and liquidity, to the issuance of this Consent Order ("Order") by the FDIC and the CDFI pursuant to Section 8(b)(1) of the FDI Act, and Section 1913 of the California Financial Code.

SAFETY AND SOUNDNESS

Having determined that the requirements for issuance of an order under Section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), and Section 1912 of the California Financial Code have been satisfied, the FDIC and the CDFI hereby order that:

Management

1. The Bank shall have and retain qualified management.

(a) Each member of management shall have qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Management shall include the following: (i) a chief executive officer with proven ability in managing a bank of comparable size and risk profile; (ii) a chief financial officer with proven ability in all aspects of financial management; (iii) a senior lending officer with significant lending, collection, and loan supervision experience and experience in upgrading a low quality loan portfolio; and (iv) a compliance officer with sufficient knowledge and background to manage the compliance risks at the Bank. Each member of management shall be provided appropriate written authority from the Board to implement the provisions of this Order.

(b) The qualifications of management shall be assessed on its ability to:

(i) comply with the requirements of this Order;

(ii) operate the Bank in a safe and sound manner;

(iii) comply with applicable laws and regulations; and

(iv) restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk.

(c) During the life of this Order, the Bank shall notify the Regional Director of the FDIC's San Francisco Regional Office ("Regional Director") and the Commissioner of the California Department of Financial Institutions ("Commissioner") in writing when it proposes to add or replace any individual on the Board, or employ any individual to serve as a senior executive officer, or change the responsibilities of any existing senior executive officer to include the responsibilities of another senior executive officer position. The term "senior executive officer" shall have the same meaning ascribed to it in Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. § 303.101. The notification shall include a completed Interagency Biographical and Financial Report and Interagency Change in Director or Senior Executive Officer and must be received at least 30 days before the addition, employment or change of responsibilities is intended to become effective. The Regional Director and the Commissioner shall have the power under the authority of this Order to disapprove the addition, employment or change of responsibilities of any proposed officer or director.

(d) The requirement to submit information and the prior disapproval provisions of this paragraph are based upon the authority of 12 U.S.C. § 1818(b) and do not require the Regional Director and the Commissioner to complete their review and act on any such information or authority within 30 days, or any other timeframe. The Bank shall not add, employ or change the responsibilities of any proposed director or senior executive officer until such time as the Regional Director and the Commissioner have completed their review.

Management Study

2. Within 120 days from the effective date of this Order, the Board shall obtain an independent study of the management and personnel structure of the Bank to determine whether the Bank is staffed by qualified individuals commensurate with its size and risk profile to ensure

the safe and profitable operation of the Bank. Such study shall include, at a minimum, a review of the duties, responsibilities, qualifications, and remuneration of the Bank's officers, an evaluation of management resources, and recommendations regarding management and staffing in the context of the Bank's strategic plan. A copy of the study shall be submitted to the Regional Director and the Commissioner. The Board shall adopt a plan to implement the recommendations of the study. The plan policy and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Board Participation

3. As of the effective date of this Order, the Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, insider, charged-off, and recovered loans; investment activity; liquidity and funds managements activities; operating policies; individual committee actions, and compliance-related matters. The Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

Capital

4. (a) By April 12, 2010, the Bank shall increase and thereafter maintain its Tier 1 capital in such an amount to ensure that the Bank's leverage ratio equals or exceeds 10 percent.

(b) By April 12, 2010, the Bank shall increase and thereafter maintain its total risk-based capital ratio in such an amount as to equal or exceed 12 percent.

(c) The level of capital to be maintained during the life of this Order shall be in addition to a fully funded allowance for loan and lease losses, the adequacy of which shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations. Any increase in Tier 1 capital necessary to meet the requirements of this paragraph may not be accomplished through a deduction from the Bank's allowance for loan and lease losses.

(d) If all or part of the increase in capital required by this Order is accomplished by the sale of new securities, the Board shall adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with all applicable State and Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the plan and any materials used in the sale of the securities shall be submitted to the FDIC, Registration, Disclosure and Securities Unit, 550 17th St. N.W., Washington, D.C. 20429, for review, and to the Commissioner to obtain any and all necessary securities permits or other approvals. Any changes requested by the FDIC or the Commissioner shall be made prior to dissemination. If the increase in capital is provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to those terms and conditions relative to interest rate and convertibility factor, shall be presented to the Regional Director and the Commissioner for prior approval.

(e) The Bank shall promptly revise or supplement the offering materials it is using in connection with the offer and sale of its securities to fully and fairly disclosure every material change or development regarding the Bank and its operation, including every planned change that would be material that occurs during the offering of the securities. The Bank shall provide the revised offering materials or supplement, along with a notice that the subscriber may rescind its subscription, to each subscriber that has submitted a subscription for the Bank's securities before receiving the revised offering materials or supplement for at least 10 days before accepting the subscriber's subscription.

(f) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities, a written notice of any planned or existing development or other changes that are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within 10 days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

(g) For the purposes of this Order, the terms "leverage ratio", "Tier 1 capital" and "total risk-based capital ratio" shall have, the meanings ascribed to them in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 325.2(m), 325.2(v), 325.2(y), and Appendix A.

Capital Plan

5. The Bank shall immediately develop, adopt, and implement a plan ("Capital Plan"). At a minimum, the Capital Plan shall set forth specific actions with respective timeframes that the Bank will take to satisfy the requirements of Paragraph 4 of this Order. In addition, the Capital Plan shall include contingent provisions for failure to satisfy the requirements of Paragraph 4 of this Order. Such contingent provisions shall include the sale or merger of the Bank. The Bank shall implement the contingency plan upon written notice from the Regional Director and the Commissioner. Furthermore, the Capital Plan shall be in a form and implemented in a manner acceptable to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Dividends

6. The Bank shall not pay cash dividends or make any other payments to its shareholders without the prior written consent of the Regional Director and the Commissioner.

Reduction of Classified Assets

7. (a) The Bank shall eliminate from its books, by charge-off or collection, all assets classified "Loss" in the FDIC Report of Visitation dated October 13, 2009 ("ROV") that have not been previously collected or charged off. Elimination of these assets through proceeds of other loans made by the Bank is not considered collection for the purpose of this paragraph.

(b) Within 90 days from the effective date of this Order, the Bank shall have reduced the assets classified "Substandard" or "Doubtful" in the ROV that have not previously been charged off to not more than 75 percent of the Bank's Tier 1 capital and allowance for loan and lease losses.

(c) Within 120 days from the effective date of this Order, the Bank shall have reduced the assets classified “Substandard” and “Doubtful” in the ROV that have not previously been charged off to not more than 50 percent of the Bank’s Tier 1 capital.

(d) Within 150 days from the effective date of this Order, the Bank shall have reduced the assets classified "Substandard" and “Doubtful” in the ROV that have not previously been charged off to not more than 30 percent of the Bank’s Tier 1 capital.

(e) The requirements of this paragraph are not to be construed as standards for future operations. In addition, the Bank shall eventually reduce the total of all adversely classified assets. Reduction of these assets through proceeds of other loans made by the Bank is not considered collection for the purpose of this paragraph. As used in this paragraph the word “reduce” means:

(i) to collect;

(ii) to charge-off; or

(iii) to sufficiently improve the quality of assets adversely classified to warrant removing any adverse classification, as determined by the FDIC and the CDFI.

Allowance for Loan and Lease Losses

8. (a) During the life of this Order, the Bank shall maintain a fully funded allowance for loan and lease losses.

(b) The appropriateness of the reserve shall be determined after the charge-off of all loans or other items classified “Loss.” The loan loss reserve shall be reviewed at least once each calendar quarter. Said review shall be completed in order that the findings of the Bank’s Board with respect to the loan and lease loss allowance may be properly reported in the quarterly Reports of Condition and Income. The review shall focus on the results of the Bank’s internal loan review, loan loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure of significant credits, concentrations of credit, and present and prospective economic conditions. A deficiency in the allowance shall be remedied in the calendar quarter it is discovered, prior to submitting the Report of Condition, by a charge to current operating earnings. The minutes of the Bank's Board meeting at which such review is undertaken shall indicate the results of the review. Upon completion of the review, the Bank shall increase and maintain its allowance for loan and lease losses consistent with the findings of the review. The Bank's allowance for loan and lease losses shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Loans

9. (a) Within 60 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement written lending and collection policies to provide effective guidance and control over the Bank's lending function. Such policies and their implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

(b) The initial revisions to the Bank's loan policy and practices required by this paragraph shall, at a minimum, include the following:

(i) provisions, consistent with the FDIC's instructions for the preparation of Reports of Condition and Income, under which the accrual of interest income is discontinued and previously accrued interest is reversed on delinquent loans;

(ii) provisions that prohibit the capitalization of interest or loan-related expense unless the Board supports in writing and records in the minutes of the corresponding Board meeting why an exception thereto is in the best interests of the Bank;

(iii) provisions that require complete loan documentation, realistic repayment terms, and current credit information adequate to support the outstanding indebtedness of the borrower. Such documentation shall include current financial information, profit and loss statements or copies of tax returns and cash flow projections;

(iv) provisions that incorporate limitations on the amount that can be loaned in relation to established collateral values;

(v) provisions that specify the circumstances and conditions under which real estate appraisals must be conducted by an independent third party;

(vi) provisions that establish standards for unsecured credit;

(vii) provisions that establish officer lending limits;

(viii) provisions that require that extensions of credit to any of the Bank's executive officers, directors, or principal shareholders, or to any related interest of such persons, be approved in advance by a majority of the entire Board in accordance with section 215.4(b) of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 215.4(b);

(ix) provisions that prohibit concentrations of credit in excess of 25 percent of the Bank's total equity capital and reserves to any borrower and that borrower's related interests;

(x) provisions that require the preparation of a loan “watch list” that shall include relevant information on all loans in excess of $100,000 that are classified “Substandard” and “Doubtful” in the ROV, or by the FDIC or CDFI in subsequent Reports of Examination and all other loans in excess of $100,000 that warrant individual review and consideration by the Board as determined by the loan committee or active management. The loan “watch list” shall be presented to the Board for review at least monthly with such review noted in the minutes;

(xi) provisions that require an accurate internal grading system;

(xii) provisions that require independent loan review; and

(xiii) the Board shall adopt procedures whereby officer compliance with the revised loan policy is monitored and responsibility for exceptions thereto assigned. The procedures adopted shall be reflected in minutes of a Board meeting at which all members are present and the vote of each is noted.

Liquidity

10. Within 60 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement a written liquidity and funds management policy that adequately addresses liquidity needs and appropriately reduces its reliance on non-core funding sources. Such policy and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Performance and Profitability

11. (a) Within 90 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement a written plan addressing retention of profits, reducing overhead expenses, and setting forth a comprehensive budget covering the period January 1, 2010 to December 31, 2010. The plan required by this Paragraph shall contain formal goals, strategies and benchmarks that are consistent with sound banking practices to improve the Bank's net interest margin, increase interest income, reduce discretionary expenses, and improve and sustain earnings of the Bank. It shall also contain a thorough description of the operating assumptions that form the basis for, and adequately support, each major component of the plan.

Such plan and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

(b) Following the end of each calendar quarter, the Board shall evaluate the Bank's actual performance in relation to the plan and shall record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken.

Overhead

12. Within 90 days from the effective date of this Order, the Bank shall develop and adopt a plan to control overhead and other expenses and restore the Bank's profitability. The plan shall be in a form and manner acceptable to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Interest Rate Risk

13. Within 60 days of the effective date of this Order, the Bank shall strengthen its interest rate risk program. At a minimum, deficiencies detailed in the ROV shall be strengthened. The interest rate risk program shall require that an independent review be performed of the interest rate risk management process. The program and independent review shall comply with the requirements of the Joint Agency Policy Statement on Interest Rate Risk as set out in FIL-52-96.

Strategic Plan

14. Within 90 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement a written three-year strategic plan. Such plan shall be submitted to the Regional Director and the Commissioner and shall include specific goals for the dollar volume of total loans, total investment securities, and total deposits as of year-end December 31,

2010, December 31, 2011, and December 31, 2012. For each time frame, the plan will also specify:

(a) the anticipated average maturity and average yield on loans and securities;

(b) the average maturity and average cost of deposits;

(c) the level of earning assets as a percentage of total assets; and

(d) the ratio of net interest income to average earning assets.

Such plan and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Internal Routine and Controls

15. Within 60 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement a policy for the operation of the Bank in such a manner as to provide adequate internal routine and control policies consistent with safe and sound banking practices. Such policy and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

Brokered Deposits

16. During the life of this Order, the Bank shall comply with the provisions of section 337.6 of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6.

Branching

17. During the life of this Order, the Bank shall not establish any new branches or other offices without the prior written consent of the Regional Director and the Commissioner.

Independent Fraud Audit

18. (a) The Bank's Audit Committee shall continue its progress to complete an independent external fraud audit to review the Small Business Administration ("SBA") 7a loan

portfolio for fraudulent activity, including, but not limited to, falsification of documents, misreporting, false statements, and any other unusual or suspicious activity on the part of the borrower, loan agents, or Bank personnel.

(b) The audit scope shall, at a minimum, include the following:

(i) research and review loan documentation for all SBA 7a loans for unusual activity; the initial loan sample shall consist of 40-50% of the loan population. Depending on the results of audit findings for this sample selection, determine if additional loans should be selected for further review;

(ii) investigate potential instances of insider and/or borrower fraud found in the loan reviewed;

(iii) as part of the research, review and investigation process, the fraud auditors should be prepared to conduct the following steps, as necessary:

a. identify related party loans as well as potential relationships, including business or personal, with loan agents, Bank personnel, Bank officers, Board members, or significant shareholders of the Bank;
b. research external databases to clearly identify corporate ownership and document any potential relationships with other borrowers, loan agents, Bank personnel, Bank officers, Board members, or significant shareholders of the Bank;
c. interview current and prior Bank employees, as appropriate, to determine Bank policy and protocol and identify any divergences in actual procedures performed as well as both

formal and informal lending authorities. Detailed notes of interview shall be maintained;

d. where necessary and where potential fraud has been identified, attempt to interview or discuss documents with borrowers to try to determine the source of any fraudulent document or data alterations;

e. research electronic source data, including, but not limited to, reports, tracking systems, employee hard drives, employee e-mails, and telephone and personal banking account records to try to identify unusual activities or behaviors regarding the SBA portfolio;

f. determine the completeness and accuracy of Loan Review Committee Reviews and Approvals on the SBA portfolio;

g. determine the potential collectability on any loans determined to be fraudulent; and

h. final determination of the potential loss to the Bank and the level of involvement of any insider-affiliated parties.

(c) The qualifications of the fraud auditor shall include:

(i) significant experience with fraud investigations or audits; and

(ii) designation as a fraud auditor or examiner by industry recognition as an expert in this field based on certification, current or prior employment, or consulting work as a fraud expert.

(d) Findings of the fraud audit shall be completed no later than six months from the effective date of this Order, unless the express written consent of the Regional Director and the Commissioner is obtained.

(e) Results and recommendations of the fraud audit shall be submitted to the Regional Director and the commissioner upon receipt by the audit committee. In addition, the audit committee, the Regional Director and the Commissioner shall receive periodic updates from the fraud auditor discussing the progress to-date and expected completion times of the audit. In addition, any significant issues uncovered during the fraud audit shall be immediately disclosed in writing to the audit committee, the Regional Director and the Commissioner.

SBA Lending

19. Effective immediately from the effective date of this Order, the Bank shall ensure appropriate oversight of all SBA lending processes, including underwriting, lending approval, and disbursement functions. The reporting processes, lending authorities, and oversight process of the SBA Department shall be in a form and manner acceptable to the Regional Director and the Commissioner. In this connection, the Bank shall:

(a) Obtain and retain a qualified SBA lending manager.

(b) Ensure that each member of the SBA department and the SBA loan committee shall have qualifications, training, and experience commensurate with his or her duties and responsibilities at the institution.

(c) Ensure thorough fraud and ethics training to all SBA staff, as follows:

(i) Staff shall be sufficiently trained in understanding and identifying the various red flags of fraud, including examples of different types and methods of loan fraud. Such training shall also include a discussion of personal responsibilities to protect the Bank against fraud, as well as criminal repercussions for employees colluding in fraudulent transactions or creating false documents.

(ii) Training shall be conducted a minimum of once per year and be in a form and manner acceptable to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

CONSUMER PROTECTION

20. The Board shall immediately take steps to improve Board oversight and monitoring of the Bank's compliance function, including assessing third-party risks. The compliance officer shall provide monthly reports to the Board detailing the actions taken to comply with the compliance provisions. Such reports should be duly noted in the Board minutes.

21. The Board and senior management shall ensure the compliance officer is provided with adequate time and sufficient dedicated resources to effectively perform all assigned duties.

22. The Board and senior management shall enhance the compliance program by adopting policies and procedures to comprehensively cover all applicable operating areas of compliance. Compliance policies should be reviewed and readopted annually by the Board. The review shall ensure that all policies and procedures comply with all outstanding laws, rules, and regulations. Such policies shall also address third-party risks.

23. The Board and senior management shall implement an effective formal internal monitoring program to ensure compliance with all applicable lending and deposit operations. The internal monitoring program shall be tailored to the risks noted in the Bank's Compliance Management System. The implemented procedures shall include transaction testing and be designed to proactively detect compliance weaknesses and ensure identified exceptions are

corrected in a timely and effective manner. Particular attention shall be given to those compliance areas where violations were noted to ensure internal controls are implemented.

24. The Board and senior management shall establish and reevaluate, as necessary, an ongoing training program for all Bank personnel, including the Board. The program shall cover all applicable laws and regulations and shall target areas of identified weakness, e.g., fair lending and third-party risks. The training program shall be updated at least annually.

25. The Board and senior management shall adhere to the Bank's existing Customer Complaint Policy. The Board shall monitor trends in complaints received for weaknesses in the Compliance Management System.

26. The Board and senior management shall strengthen the compliance audit program to ensure the audit frequency and scope adequately address the ongoing compliance needs and risk profile of the bank. The Board shall thoroughly review audit reports and ensure corrective action is both timely and effective in areas where deficiencies have been identified.

Compliance with Laws and Regulations

27. Within 60 days of the effective date of this Order, the Bank shall eliminate and/or correct all violations of consumer laws and/or regulations set forth in the Compliance Report of Examination. In addition, the Board shall ensure appropriate policies, procedures, and controls are set in place to prevent such violations from recurring. Corrective action with respect to the Equal Credit Opportunity Act ("ECOA") and Regulation B violations will be addressed separately and outside this Order.

28. The Bank shall immediately comply with all laws and regulations applicable to the Bank, and shall comply in the future with all laws and regulations applicable to the Bank.

Public Announcement Restriction

29. During the life of this Order, the Bank shall notify the Regional Director and Commissioner 24 hours in advance of making any public announcement or notification regarding changes in the Bank's financial condition, executive management or Board.

Restriction on Amendment or Rescission

30. During the life of this Order, material amendments to the approved plans, policies, procedures and programs required by this Order shall not be made without the prior written approval of the Regional Director and the Commissioner.

Progress Reports

31. Within 30 days of the end of the first quarter following the effective date of this Order, and within 30 days of the end of each quarter thereafter, the Bank shall furnish written progress reports to the Regional Director and the Commissioner detailing the form and manner of any actions taken to secure compliance with this Order and the results thereof. Such reports shall include a copy of the Bank's Report of Condition and Income. Such reports may be discontinued when the corrections required by this Order have been accomplished and the Regional Director and the Commissioner have released the Bank in writing from making further reports.

Order to Shareholder(s)

32. Following the effective date of this Order, the Bank shall provide a copy of the Order or otherwise furnish a description of the Order to its shareholder(s) in conjunction with:

(a) the Bank's next shareholder communication; and

(b) the 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, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429, at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this Order shall not bar, estop, or otherwise prevent the FDIC, the CDFI, or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties, as that term is defined in Section 3(u) of the FDI Act, 12 U.S.C. § 1813(u).

This Order will become effective upon its issuance by the Regional Director and the Commissioner.

The provisions of this Order shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this Order shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the Regional Director and the Commissioner.

Violation of any provisions 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.

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Issued pursuant to delegated authority

Dated at San Francisco, California, this 25th day of March, 2010.

/s/

Stan Ivie
Regional Director
Division of Supervision and Consumer Protection
San Francisco Region
Federal Deposit Insurance Corporation

/s/

Craig Carlson
Senior Deputy Commissioner and
Chief State Examiner
California Department of Financial
Institutions