FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS

SAN FRANCISCO, CALIFORNIA

In the Matter of COMMUNITY COMMERCE BANK CLAREMONT, CALIFORNIA (INSURED STATE NONMEMBER BANK)	)	CONSENT ORDER FDIC-10-093b

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Community Commerce Bank, Claremont, 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 (commencing with Section 99) 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 April 16, 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 capital, asset quality, management, liquidity and compliance, 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.

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 1913 of the California Financial Code have been satisfied, the FDIC and the CDFI hereby order that:

Safety and Soundness

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, and experience in upgrading a low quality loan portfolio, improving earnings, and other matters needing particular attention;

(ii) a chief financial officer with demonstrated ability in all financial areas including but not limited to, accounting, regulatory reporting, budgeting and planning, management of the investment function, liquidity management, and interest rate risk management; and

(iii) a chief lending officer with significant lending, collection, and loan supervision experience and experience in upgrading a low quality loan portfolio. Each senior executive officer shall be provided with appropriate written authority from the Board to implement the provisions of this Order. Without limiting the generality of the foregoing, the Regional Director of the FDIC's San Francisco Regional Office ("Regional Director") and the Commissioner of the California Department of Financial Institutions ("Commissioner") reserve the right to determine whether the current Senior Executive Officers and directors of the Bank will be considered to be qualified for purposes 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 and the Commissioner in writing when it proposes to add any individual to the Board, replace any individual on the Board, employ any individual to serve as a senior executive officer, or change the responsibilities of any existing senior executive officer, including combining the responsibilities of senior executive officer positions. 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, replacement, employment or change of responsibilities is intended to become effective.

(d) The Bank shall not add or replace any individual on the Board, or employ or change the responsibilities of any senior executive officer until such time as the Regional Director and the Commissioner have completed their reviews and issued their written notice of non-disapproval.

(e) 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 or the Commissioner to complete their reviews and act on any information or any authority within 30 days, or any other timeframe.

2. Within 45 days from 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 and condition. 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; operating policies; and individual committee actions. The Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

3. (a) Within 90 days from the effective date of this Order, the Bank shall increase and thereafter maintain Tier 1 capital in such an amount as to equal or exceed 9.5 percent of the Bank’s total assets.

(b) Within 90 days from the effective date of this Order, the Bank shall increase and thereafter maintain total risk-based capital ratio in such an amount as to equal or exceed 12 percent.

(c) Within 60 days from the effective date of this Order, the Bank shall develop, adopt, and implement a plan (“Capital Plan”) to satisfy the requirements of Subparagraphs 3(a) and 3(b) of this Order and to meet and thereafter exceed the minimum risk-based capital requirements as described in the FDIC’s Statement of Policy on Risk-Based Capital contained in the FDIC’s Rules and Regulations, 12 C.F.R. Part 325, Appendix A. 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.

(d) The level of capital to be maintained by the Bank 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.

(e) 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 for review to the FDIC, Registration, Disclosure and Securities Unit, 550 17th St. N.W., Washington, D.C. 20429, and to the Commissioner to obtain any and all necessary authorizations, 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.

(f) Subject to obtaining all required prior authorizations, permits or other approvals from the Commissioner, 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 disclose every material change regarding the Bank, including planned changes that would be material, that occurs during the offering of the securities. At least 10 days before the subscriber's funds are accepted by the Bank, it shall provide the revised offering materials or supplement to each person that has submitted a subscription for the Bank's securities before receiving the revised offering materials or supplement, along with a notice that the subscriber may rescind its subscription.

(g) For the purposes of this Order, the terms "Tier 1 capital", "total risk-based 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).

4. (a) Upon the effective date of this Order, the Bank shall have increased the allowance for loan and lease losses ("ALLL") by $2.0 million as recommended in the joint Report of Examination dated September 21, 2009 ("ROE").

(b) Upon the effective date of this Order, the Bank shall thereafter maintain a fully funded allowance for loan and lease losses.

(c) The appropriateness of the ALLL shall be determined after the charge-off of all loans or other items classified "Loss". The policy for determining the adequacy of the ALLL shall provide for a review of the allowance at least once each calendar quarter. Each review shall be completed in Order that the findings of the Board with respect to the ALLL are properly reported in the quarterly Reports of Condition and Income. Each review shall focus on the accounting standards set forth in the Financial Accounting Standards Board's Statement Number ("FAS") 5 and FAS 114, 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 each Board meeting at which a review is undertaken shall record the matters discussed during, and the results of the review. Upon completion of the review, the Bank shall increase and maintain its ALLL consistent with the ALLL policy established. Such policy and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

5. (a) Within 60 days from the effective date of this Order, the Bank shall develop, adopt, and implement a written plan for the reduction and collection of classified assets and delinquent loans. Such plan shall take into consideration the requirements of Subparagraphs 5(b), 5(c) and 5(d) of this Order. Such plan and its implementation shall be acceptable to the Regional Director and the Commissioner, as determined at subsequent examinations and/or visitations.

(b) Upon the effective date of this Order, the Bank shall eliminate from its books, by charge off or collection, all assets classified "Loss" in the ROE 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.

(c) Within 180 days from the effective date of this Order, the Bank shall have reduced the assets classified "Substandard" in the ROE that have not previously been charged off to not more than 65 percent of the Bank's Tier 1 capital and ALLL. Within 365 days from the effective date of this Order, the Bank shall have reduced the assets classified "Substandard" in the ROE that have not previously been charged off to not more than 55 percent of the Bank's Tier 1 capital and ALLL.

(d) The requirements of this paragraph are not to be construed as standards for future operations and, in addition to the foregoing, 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", "reduced" and "reduction" means to collect, to charge-off, or to sufficiently improve the quality of assets adversely classified to warrant removing any adverse classification, as determined by the Regional Director and the Commissioner at subsequent examinations and/or visitations.

6. (a) Beginning with the effective date of this Order, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been charged off or classified, in whole or in part, "Loss" and is uncollected. This paragraph shall not prohibit the Bank from renewing or extending the maturity of any credit in accordance with the Financial Accounting Standards Board Statement Number 15.

(b) Beginning with the effective date of this Order, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been classified, in whole or part, "Doubtful" or "Substandard" without the prior approval of a majority of the Board or loan committee of the Bank. The Board and loan committee shall not approve any extension of credit or additional credit to such borrowers without first collecting in cash all past due interest, principal, late charges, and all other amounts due and owing from the borrower to the Bank.

7. Within 60 days from the effective date of this Order, the Board shall develop, adopt, and implement a written policy for acquiring, holding, and disposing of the Bank's Other Real Estate (ORE). The policy shall conform to the FDIC's Financial Institution Letter ("FIL")

62-2008, "Guidance on Other Real Estate" dated July 1, 2008. At a minimum, the policy shall provide for:

(a) review of the ORE portfolio, at least once each calendar quarter, by a designated committee of the Board;

(b) documentation that taxes and insurance premiums are paid in a timely manner;

(c) realistic and comprehensive budget for each parcel of ORE with a book value in excess of $250,000, including projections of the Bank's carrying costs (e.g., repairs, upkeep, and insurance costs) and projections for the orderly sale of each parcel of ORE;

(d) independent valuations/appraisals of each parcel at the time of foreclosure and periodically thereafter, but no more than 12 months shall lapse between independent valuations/appraisals;

(e) determination by a designated committee of the Board that each parcel of ORE is listed with a real estate broker or otherwise made widely available for sale within an appropriate timeframe and at a realistic selling price;

(f) periodic progress reports from each real estate broker marketing ORE on behalf of the Bank; and

(g) periodic reporting to the Board by executive management, no less than once each calendar quarter.

8. Within 60 days from the effective date of this Order, the Bank shall develop and implement a corrective plan to address the credit administration and loan underwriting weaknesses detailed in the ROE. The corrective plan shall include, but not limited to:

(a) establishing an effective loan review system to identify loans with potential or actual credit weaknesses in a timely manner;

(b) implementing a policy requiring the periodic completion of independent loan reviews, but no more than 12 months shall lapse between independent loan reviews;

(c) establishing policy guidelines and specific procedures regarding borrowers with delinquent property taxes;

(d) establishing formal underwriting and due diligence policies for loans purchased from third parties; and

(e) establishing policy guidelines and formal procedures for identifying impaired loans and measuring impairment in accordance with FAS 114.

9. Within 60 days from the effective date of this Order, the Bank shall develop or revise, adopt, and implement a written plan, approved by its Board and acceptable to the Regional Director and the Commissioner, for systematically reducing the amount of loans or other extensions of credit advanced, directly or indirectly, to or for the benefit of, any borrowers in the "Commercial Real Estate Loans" ("CRE") concentration, as more fully set forth in the ROE. Such plan shall be in conformance with Appendix A of Part 365 of the FDIC's Rules and Regulations, 12 C.F.R. Part 365, Appendix A; and Financial Institution Letter (FIL)-104-2006, Commercial Real Estate Lending Joint Guidance, dated December 12, 2006, which includes, but not limited to the establishment of concentration of credit risk tolerances or limits by types of loan products, geographic locations, and other common risk characteristics. Furthermore, within 60 days from the effective date of this Order, the Bank shall develop and implement a corrective plan to address the CRE concentration management weaknesses detailed on the "Risk Management Assessment" pages of the ROE.

10. (a) During the life of this Order, the Bank shall not accept, renew, or roll over any brokered deposit unless it has applied for and been granted a waiver of this prohibition by

the FDIC in accordance with the provisions of Section 337.6 of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6.

(b) Within 10 days of the effective date of this Order, the Bank shall submit to the Regional Director and the Commissioner a written plan for eliminating its reliance on brokered deposits. The plan should contain details as to the current composition of brokered deposits by maturity and amount, and should explain the means by which such deposits will be paid or rolled over. The Regional Director and the Commissioner shall have the right to reject the Bank's plan. On the 25th day of each month, the Bank shall provide a written progress report to the Regional Director and the Commissioner detailing the level, source, and use of brokered deposits with specific reference to progress under the Bank's plan.

(c) For purposes of this Order, "brokered deposits" shall have the meaning ascribed in section 337.6(a)(2) of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6(a)(2).

11. Within 60 days from the effective date of this Order, the Bank shall eliminate or correct all contraventions of interagency policy statements as detailed on the "Violations of Laws and Regulations" page of the ROE.

12. (a) During the life of this Order, the Bank shall not directly or indirectly make an extension of credit to its bank holding company ("BHC") or any subsidiaries of the BHC without the prior written consent of the Regional Director and the Commissioner.

(b) During the life of this Order, the Bank shall not purchase any real or personal property or any interest in real or personal property from a subject person as specified in Section 758(b) of the California Financial Code or any subsidiaries of the BHC without the prior written consent of the Regional Director and the Commissioner.

(c) For the purposes of this paragraph, the terms "bank holding company" and "subsidiaries" shall have the meanings ascribed to them, respectively, in Sections 3700 and 3702 of the California Financial Code.

(d) For purposes of this paragraph, the term "extension of credit" shall have the meaning ascribed in Section 781(d) of the California Financial Code.

(e) For purposes of this paragraph, the term "subject person" shall have the meaning ascribed in Section 758(a) of the California Financial Code.

13. The Bank shall not engage in any expansionary activities, including the opening of any branch office or other place of business without the prior written approval of the Regional Director and Commissioner.

14. The Bank shall not pay cash dividends without the prior written consent of the Regional Director and the Commissioner.

15. The Bank shall notify the Regional Director and the Commissioner in advance of making any public announcement or notification.

Consumer Protection

16. The Board shall immediately take steps to improve its oversight of the Bank's compliance function and monitor and ensure compliance with this Order.

17. Within 60 days of the effective date of this Order, the Bank's senior management shall establish a Management Compliance Committee that includes the compliance staff and key department personnel. The Management Compliance Committee shall meet at least monthly to discuss compliance matters facing the Bank. The Bank's compliance officer shall provide regular reports to the Board addressing the compliance matters discussed by the Management Compliance Committee as well as the Bank's effort to comply with the requirements of this Order. Such reports shall be fully documented in the minutes.

18. Within 60 days of the effective date of this Order, the Board shall ensure that the Bank develops detailed policies and procedures for compliance with the Flood Disaster Protection Act, Truth in Savings Act, Fair Credit Reporting Act, and all other applicable compliance laws and regulations. In addition, the Board shall ensure that management reviews all compliance policies and procedures to ensure their adequacy relative to the Bank's activities and any changes in laws and regulations.

19. Within 60 days of the effective date of this Order, the Bank shall develop a program to assess the Bank's compliance training and determine how to enhance such training in all key areas, including fair lending. Such program should cover all applicable compliance laws and regulations and should target areas of weakness identified through monitoring efforts, external audits, and regulatory examinations. The training program should be updated at least annually to provide for effective ongoing training for all appropriate bank personnel, including members of the Board.

20. Within 120 days of the effective date of this Order, the Board shall strengthen the compliance audit function to ensure that independent comprehensive compliance audits are conducted annually. The Board shall ensure that the scope of such audits adequately addresses the ongoing compliance needs and risk profile of the Bank and that results of such audits are reported directly to the Board. The Board shall thoroughly review the audit reports and shall document its review in the Board minutes. The Board shall ensure that corrective action is implemented and monitored in all areas/departments where deficiencies have been identified.

21. Within 60 days of the effective date of this Order, the Board shall ensure that the Bank corrects of all violations of Truth in Savings Regulation DD as detailed in the Compliance Report of Examination dated June 22, 2009 ("Compliance ROE"). Further, the Board shall

ensure that the Bank develops and implements effective policies, procedures, training, internal controls, and audits to assure ongoing compliance with the Truth in Savings regulations.

22. Within 120 days of the effective date of this Order, the Board shall ensure that the Bank conducts an annual fair lending review of its Home Mortgage Disclosure Act data and provides a detailed report of its findings and recommendations. The report should be presented to and reviewed by the Board, with sufficient documentation of the same detailed in the Board minutes.

23. Within 60 days of the effective date of this Order, the Board shall ensure that the Bank corrects of all other violations of law or regulation listed in the most Compliance ROE and shall implement appropriate procedures to prevent the recurrence of these violations.

Closing

24. Within 30 days after the end of the first calendar quarter following the effective date of this Order, and within 30 days after the end of each quarter thereafter, the Board shall furnish written progress reports to the Regional Director and Commissioner detailing the actions taken to comply with the terms of this Order and the results thereof. The contents of the reports should be fully documented in the Board minutes. 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 from submitting further reports.

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 FDIC and the CDFI.

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 FDIC and the CDFI.

Violation of any provisions of this Order may be deemed to be conducting business in an unsafe or unsound manner, and may subject the Bank to further regulatory enforcement action.

Issued pursuant to delegated authority

Dated at San Francisco, California, this 21st day of April, 2010.

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

/s/
Craig A. Carlson
Senior Deputy Commissioner and Chief Examiner
California Department of Financial Institutions