

DEPARTMENT OF FINANCIAL INSTITUTIONS  
SAN FRANCISCO, CALIFORNIA  
FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.

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	)	
In the Matter of	)	
	)	CONSENT ORDER
WESTERN COMMERCIAL BANK	)	
WOODLAND HILLS, CALIFORNIA	)	
	)	Docket No. FDIC-10-575b
(INSURED STATE NONMEMBER BANK)	)	
	)	
_____	)	

Western Commercial Bank, Woodland Hills, 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, by and through its duly elected and acting Board of Directors entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (“CONSENT AGREEMENT”) with counsel for the Federal Deposit Insurance Corporation (“FDIC”) and with counsel for the California Department of Financial Institutions (the “Department”) dated August 20, 2010, 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 a CONSENT ORDER (“ORDER”) by the FDIC and the Department.

The FDIC and the Department considered the matter and determined that they had reasons 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:

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. Within thirty (30) days of the effective date of this ORDER, the Bank shall develop, adopt and submit to the Department and to the FDIC a comprehensive action plan to resolve the Bank’s current undercapitalized condition (“Action Plan”). The Action Plan shall be in a form, and implemented in a manner, acceptable to the Department and the FDIC. The Action Plan shall include specific steps, goals and timelines to achieve one or more of the following:

- (a) Within ninety (90) days of the effective date of this ORDER, the Bank shall increase its Tier 1 capital by not less than \$10 million and thereafter shall maintain its Tier 1 capital in an amount not less than nine and one-half (9.5) 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). 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 ("ALLL"), the adequacy of which shall be satisfactory to the Department and the FDIC 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 ALLL.

(b) Within ninety (90) 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 acceptable to the Department and the FDIC, or to sell the Bank to an acquirer acceptable to the Department and the FDIC. The Bank's Board of Directors shall provide the Department and the FDIC with a copy of the definitive agreement not later than five (5) days after entering into the agreement.

If the Bank's Action Plan includes a recapitalization in accordance with subparagraph 1(a), the Action Plan submitted to the Department and the FDIC shall also include a viable new business plan to ensure that any recapitalization of the Bank would return the Bank to a viable condition.

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 Department and the FDIC.

3. Beginning two (2) weeks after the effective date of this ORDER and on a bi-weekly basis thereafter, the Bank's Board of Directors shall provide the Department and the FDIC 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 Department at least fifteen (15) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC or the Department 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 Department, the FDIC, 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 as that term is defined in Section 3(u) of the Act, 12 U.S.C. § 1813(u), 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 Department and the FDIC. The provisions of this Order shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof. 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 Department and the FDIC.

Pursuant to delegated authority.

Dated at San Francisco, California, this 20<sup>th</sup> day of August, 2010.

/s/

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SCOTT CAMERON  
Chief Examiner  
California Department of Financial Institutions

/s/

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