

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

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)	ORDER ACCEPTING PARTIAL
)	SATISFACTION OF CROSS
SHOREBANK, PACIFIC)	GUARANTEE LIABILITY AND
ILWACO, WASHINGTON)	CONDITIONALLY
(INSURED DEPOSITORY INSTITUTION))	GRANTING APPROVAL
)	FOR WAIVER OF CROSS-
)	GUARANTEE LIABILITY
)	
)	FDIC-10-679kk
)	

WHEREAS, on August 20, 2010, ShoreBank, Chicago, Illinois (Shore) failed and caused a loss to the Federal Deposit Insurance Corporation (FDIC); and

WHEREAS, at the time of its failure, Shore was controlled by ShoreBank Corporation, Chicago, Illinois, a bank holding company (BHC); and

WHEREAS, at the time of Shore's failure, BHC also controlled ShoreBank, Pacific, Ilwaco, Washington (Bank); and

WHEREAS, pursuant to 12 U.S.C. § 1815(e)(8), Bank and Shore were commonly controlled at the time of the failure of Shore; and

WHEREAS, pursuant to 12 U.S.C. § 1815(e)(1)(A), at the time of Shore's failure, Bank incurred a cross-guarantee liability to the FDIC in the amount of the FDIC's actual and anticipated losses in connection with Shore's failure, approximately \$368 million; and

WHEREAS, BHC has agreed to sell Bank to OneCalifornia Bank, FSB, Oakland, California (OneCal) and provide a significant majority of the proceeds, including all of the proceeds received concurrent with consummation, after expenses, to the FDIC; and

WHEREAS, the proposed transaction is conditioned upon the FDIC, pursuant to 12 U.S.C. § 1815(e)(5)(A), accepting partial satisfaction of the cross-guarantee liability and granting a conditional waiver of the remaining cross-guarantee liability; and

WHEREAS, on August 27, 2010, Bank, BHC, and OneCal filed an application requesting a waiver of the cross-guarantee liability that could be assessed against Bank due to the failure of Shore; and

WHEREAS, OneCal has submitted a merger application to the Office of Thrift Supervision (OTS) seeking approval of the proposed transaction; and

BE ADVISED that the Board of Directors (Board) of the FDIC, having fully considered the facts and information relating to the foregoing request, has concluded that accepting partial satisfaction of the cross-guarantee liability and granting the request for a waiver of cross-guarantee liability is in the best interests of the Deposit Insurance Fund and that approval of the request should be and hereby is granted, subject to the conditions and restrictions set forth below.

IT IS THEREFORE ORDERED THAT:

1. This ORDER ACCEPTING PARTIAL SATISFACTION OF THE CROSS-GUARANTTEE LIABILITY AND CONDITIONALLY GRANTING APPROVAL FOR WAIVER OF CROSS-GUARANTTEE LIABILITY (ORDER) will become effective only upon the OTS' approval of OneCal's merger application and the consummation of the proposed transaction. Absent such consummation within one hundred twenty (120) days from the date of issuance of this ORDER, this ORDER will become null and void unless, upon the written request of Bank and BHC, the

FDIC, in its discretion, grants an extension of that time period with a subsequent order issued by the Director of the Division of Supervision and Consumer Protection.

2. All sales proceeds shall be paid by OneCal to an escrow agent on behalf of Bank, its parent, and BHC, and the escrow agent shall immediately transfer (i) transaction expense payments to the accounts of documented recipients, including reimbursement to the BHC for transaction expense payments previously paid by the BHC, after receiving written non-objection from the FDIC Chicago Regional Director for payment of such expenses and (ii) all net sales proceeds due to BHC or any of its subsidiaries at the time of consummation shall be paid to the FDIC.
3. Ninety (90) percent of any payments related to the sale of Bank due to BHC or any of its subsidiaries during the first year following consummation shall be paid to the FDIC.
4. All payments related to the sale of Bank due to BHC or any of its subsidiaries made more than one year following consummation shall be paid, in their entirety, to the FDIC.
5. No proceeds from the transaction may be paid to any shareholder of Bank, its parent, or BHC except payments in accordance with Conditions 2 and 3.
6. Evidence of any payments made to BHC or any of its subsidiaries from any escrow account related to the sale of Bank shall be provided to the FDIC Chicago Regional Director within five (5) business days of such payment.
7. The exemption granted by this ORDER may not be conveyed to a third party or otherwise transferred.

8. OneCal and Bank shall inform the FDIC within one (1) business day of any material changes to the proposed transaction, including the sales prices and estimate of net proceeds.
9. The waiver and exemption granted by this ORDER may not be revoked after consummation of the sale transaction.

Dated at Washington, D.C. this 18th day of November, 2010.

/s/

Sandra L. Thompson
Director, Division of Supervision and Consumer Protection