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Comptroller of the Currency  
Administrator of National Banks

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Western District Office  
50 Fremont Street, Suite 3900  
San Francisco CA 94105  
415-545-5900  
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March 15, 2000

**Conditional Approval #373**  
**April 2000**

Brian H. Kelly  
InterBusiness Bank, N.A. (Proposed)  
545 Paulette Place  
La Canada, California 91011

Re: Charter Application No. 1999 WE 01 0014  
InterBusiness Bank, National Association (Proposed)  
Los Angeles, California, Charter No. 23999

Dear Mr. Kelley:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of InterBusiness Bank, National Association, to be located in Los Angeles, California. On this date, we found that your proposal meets the requirements for preliminary conditional approval. This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the organizers' representatives. We have also made our decision with the understanding that the proposed national bank will be FDIC insured and the expectation that it will become a member of the Federal Reserve System.

This approval is subject to the condition that during the first three years of operation, the bank shall provide the OCC's Southern California - North Field Office, 550 North Brand Boulevard, Suite 500, Glendale, California, 91203-1900, thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan. This condition is enforceable under 12 USC 1818.

The bank proposes to raise \$10.0 million in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR § 5.20(i)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

Please refer to the "Corporate Organization" booklet in the *Comptroller's Corporate Manual* for

the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

It is specifically noted that the bank has represented to the OCC that internal systems will be Year 2000 compliant as outlined in recent OCC guidance regarding Year 2000 matters. In addition, the bank will perform due diligence to ensure that any third-party data processing services or purchased applications or systems from software vendors will also be Year 2000 compliant.

The OCC poses no objection to the following person(s) serving as executive officer(s) as proposed in the application:

Brian H. Kelley	Director, Chief Executive Officer
Fred L. Carpenter	Director
Dean L Gardner	Director
John B. Hansen	Director
David A. Hayden	Director
Herbert E. C. Huang	Director
Stephen H. Liu	Director, Chairman

Also the OCC poses no objection to Stephen H. Liu becoming the controlling owner of the bank.

Background checks on Cynthia Liu and Van Kwok have not yet been completed. We will notify you when we have completed our review.

Additional executive officers and directors are subject to the OCC's prior review and clearance before opening. Also, please note that the OCC requires that you obtain prior approval of additions or changes in directors and executive officers for two years after the bank opens for business.

We urge you and the Board of Directors to become familiar with the filing obligations of the

Securities Exchange Act of 1934 ("34 Act") and 12 C.F.R. Part 11. The Bank may be required to file reports with the OCC under the 34 Act and Part 11 if: (1) the Bank at the end of any fiscal year has 500 or more shareholders of record; or (2) the Bank made a public offering of securities subject to 12 C.F.R. Part 16 during the Bank's organizational process. We encourage you to contact the OCC's Securities & Corporate Practices Division at (202) 874-5210 if you have any questions about the Bank's securities disclosure obligations.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If you have any questions about our conditional approval or the organizational process please contact Senior Corporate Analyst Joseph T. Burbridge at (415) 545-5922 or write to the address reflected above.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

Sincerely,

**-signed-**

James A. Bundy  
Licensing Manager  
Western District

Enclosures: Minimum Policies and Procedures  
Standard Requirements