



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 720-475-7691

May 15, 2007

**Conditional Approval #805
June 2007**

Robert E. Sjogren
Carpenter & Company
5 Park Plaza, Suite 950
Irvine, California 92647

Young H. Park
Horgan, Rosen, Beckham & Coren
23975 Park Sorrento, Suite 200
Calabasas, California 91302-4001

James M. Rocket
Bingham McCutchen LLP
3 Embarcadero Center
San Francisco, California 94111

Re: Applications for Mercantile National Bank, Los Angeles, California:

Main office relocation

2007-WE-07-0015

Branch establishment at former main office location

2007-WE-05-0047

Sale of substantially all the Bank's assets pursuant to 12 CFR 5.53

2007-WE-12-0040

Merger Application – UCB Interim Bank, Inc., Garland, Texas, to merge with and into
Mercantile National Bank, Los Angeles, California

2007-WE-02-0005

Capital reduction and quasi-reorganization request

2007-WE-12-0089

Dear Mr. Sjogren, Mr. Park and Mr. Rocket:

This is to inform you that today the Office of the Comptroller of Currency (“OCC”) approved the referenced applications involving Mercantile National Bank, Los Angeles, California (hereinafter “Bank”) whereby:

Mercantile National Bank
Los Angeles, California

1. The Bank will relocate its main office from 1880 Century Park East, Los Angeles, California to 11710 South Street, Artesia, California;
2. The Bank will establish a branch at the former main office location, 1880 Century Park East, Los Angeles, California;
3. The Bank will sell substantially all its assets and liabilities to First California Bank, Camarillo, California. Following the sale, the Bank will have only one office located in Artesia, California;
4. The Bank will reduce its paid-in capital surplus by approximately \$18.1 million and consummate a quasi-reorganization in order to eliminate the bank's deficit undivided profits account; and
5. UCB Interim Bank, Inc., Garland, Texas, a newly formed insured interim state bank, will merge with and into the Bank.

The applications represent that all of the transaction steps listed above will occur in sequence on the same business day. In addition, immediately following the consummation of the merger of UCB Interim Bank, Inc., with and into the Bank, the Bank will merge with and into United Central Bank, Garland, Texas on the same business day. As a result of the merger, United Central Bank will have established a branch in Artesia, California.

This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and the merger agreement and those of your representatives, and is contingent on all of the transaction occurring as represented in the applications.

The approval of the request for the Bank to sell substantially all of its assets and liabilities is subject to the following condition:

If the merger of Mercantile National Bank with and into United Central Bank does not occur within seven (7) calendar dates after the sale of substantially all of Mercantile National Bank's assets to First California Bank, Mercantile National Bank shall immediately notify the OCC and submit a plan acceptable to the OCC to wind up its affairs and terminate its status as a national bank.

This condition of approval is a "condition imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. 1818.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 U.S.C. § 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC

Mercantile National Bank
Los Angeles, California

considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “. . . the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities, including in overseas branches,” 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.

As a reminder, the Western District Office must be advised in writing in advance of the desired effective date for the merger and related transactions so that the OCC may issue the necessary certification letter. The effective date must follow the applicable 15-day Department of Justice injunction period and receipt of any other required regulatory approvals.

The OCC will issue a letter certifying consummation of the transaction when we receive:

- Evidence that the shareholder of the Bank approved the relocation of the Bank’s main office pursuant to 12 USC 30, and approved the reduction of the Bank’s capital surplus pursuant to 12 USC 59;
- An *original* Secretary’s Certificate for each institution, certifying that a majority of the board of directors approved the merger;
- An executed merger agreement, signed by the Bank and UCB Interim Bank, Inc.;
- An *original* Secretary’s Certificate from each institution, certifying that the shareholder approvals have been obtained for the merger; and
- Documentation that all other conditions that the OCC imposed have been met.

If the merger and related transactions are not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

These approvals, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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.

Mercantile National Bank
Los Angeles, California

If you have any questions, contact me at 720-475-7650.

Sincerely,

/s/

James A. Bundy
Acting Director for District Licensing

Enclosure - Survey