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Comptroller of the Currency  
Administrator of National Banks

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Western District Office  
1225 17<sup>th</sup> Street, Suite 300  
Denver, Colorado 80202  
Telephone: (720) 475-765  
FAX: (301) 333-7010

**Conditional Approval #911  
August 2009**

July 9, 2009

Ivo A. Tjan  
Chairman and CEO  
CommerceWest Bank, N.A.  
2111 Business Center Dr.  
Irvine, CA 92612

Subject: Application to merge Discovery Bank, San Marcos, CA, with and into  
CommerceWest Bank, N.A., Newport Beach, CA under the charter and title of the  
latter  
OCC Control Number 2009-WE-02-0004

Dear Mr. Tjan:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves your proposal to merge Discovery Bank, San Marcos, CA, with and into CommerceWest Bank, National Association, Newport Beach, CA.

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

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC §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 considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. We considered these factors and found them consistent with conditional approval.

CommerceWest Bank, National Association  
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This conditional approval is subject to the following “conditions 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, these conditions are enforceable under 12 U.S.C. § 1818. The conditions are:

- 1) The bank shall maintain Tier 1 Leverage Capital of no less than 9.5% and a minimum Total Risk Based Capital of 12.0%
- 2) The bank shall retain experienced Information Technology employees with knowledge and understanding of data conversions to assist in the Information Technology (IT) conversion
- 3) The bank shall perform a post-conversion IT audit and penetration test no later than 90 days following the systems conversion and provide results to the OCC’s Southern California – South Office.

Further, you are reminded that severance payments that are to be paid to former Discovery Bank employees cannot be made until OCC has reviewed and provided our written no objection pursuant to 12 USC 1828(k) and 12 CFR Part 359.

Our approval is also subject to receipt of any other required regulatory approvals.

The Western District Office must be advised at least 10 days in advance of the desired effective date for the merger so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice’s 15 day injunction period.

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

This approval 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 U.S., any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. This approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

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All correspondence and documents concerning this transaction should reference the OCC Control Number. If you have any questions, contact Senior Licensing Analyst Louis Gittleman at (720) 475-7650 or via e-mail at [WE.Licensing@occ.treas.gov](mailto:WE.Licensing@occ.treas.gov).

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  
Acting Director for District Licensing

Enclosure