



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 301-333-7010

May 7, 2010

Corporate Decision #2010-21
June 2010

Michael B. Cahill
Executive Vice President and General Counsel
City National Bank
555 South Flower Street, 18th Floor
Los Angeles, California 90071

Re: Purchase and Assumption Application
City National Bank, Los Angeles, California, to Acquire Substantially All the Assets
and the Deposits from the FDIC as Receiver for 1st Pacific Bank of California,
San Diego, California
OCC Control No.: 2010-WE-02-0013

Dear Mr. Cahill:

The Office of the Comptroller of the Currency (“OCC”) hereby approves the application of City National Bank, Los Angeles, California to purchase certain assets and assume certain liabilities of 1st Pacific Bank of California, San Diego, California (“Failed Entity”), for the reasons set below. As discussed below, the transaction may be consummated immediately upon approval. 12 U.S.C. § 1828(c)(6).

Failed Entity, a state-chartered bank with deposits insured by the Federal Deposit Insurance Corporation (“FDIC”), was declared insolvent by the California Department of Financial Institutions on May 7, 2010, and the FDIC was appointed as receiver. The Comptroller has now been asked to grant his written approval of the proposed agreement negotiated between the FDIC and City National Bank by which the latter would purchase certain assets and assume certain liabilities of Failed Entity.

This approval is granted based upon the information contained in City National Bank’s application and other information and representations made to the OCC during its processing of the application.

The Purchase and Assumption

City National Bank applied to the OCC for approval to purchase certain assets of and assume certain liabilities of Failed Entity under 12 U.S.C. §§ 24 (Seventh) and 1828(c) (the

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“Transaction”). City National Bank’s main office is in California and it has branches in California, Nevada and New York. Failed Entity’s main office and all of its branches are located in California. A national bank may acquire all or part of a depository institution through a purchase and assumption transaction under 12 U.S.C. § 24 (Seventh). Thus, the Transaction is legally authorized and the OCC approves the Transaction.

City National Bank also requested OCC approval to retain the main office and branches of Failed Entity upon consummation of the Transaction. The OCC has determined that approval is consistent with 12 U.S.C. 36(c), governing intrastate branching, and California branching law incorporated therein. Consequently, City National Bank is authorized to retain Failed Entity’s offices as branches.

Bank Merger Act

The OCC reviewed the proposed purchase and assumption Transaction under the criteria of the Bank Merger Act, 12 U.S.C § 1828(c), and applicable OCC regulations and policies. The OCC 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 combatting money laundering activities, including overseas branches.” 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.

In addition, the OCC also finds, under the standards set forth in the Bank Merger Act, that it must act on the application immediately. 12 U.S.C. § 1828(c)(3), (4)(C)(i), and (6). Consequently, there is no requirement for publication of notice of the Transaction, for a request by the OCC of a competitive factors report from the Attorney General, or for a post-approval waiting period prior to consummation of the Transaction.

Community Reinvestment Act

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicants’ record of helping to meet the credit needs of the community, including low-and-moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including transactions that are subject to the Bank Merger Act. 12 U.S.C. § 2903; 12 C.F.R. § 25.29. The OCC considers the CRA performance evaluation of each institution involved in the Transaction. A review of the record of these applicants and other information available to the OCC as a result of its regulatory responsibilities revealed no evidence that the applicants’ record of helping to meet the credit needs of their communities, including LMI neighborhoods, is less than satisfactory.

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Consummation Guidance

This approval is granted based on our understanding that other applicable regulatory approvals, non-objections or waivers with respect to the proposed Transaction will have been received prior to the consummation of the Transaction.

Within seven days of consummation of the Transaction, please provide the Western District Office with copies of the following documents:

- An original Secretary's Certificate, as applicable, certifying that a majority of the board of directors approved.
- An executed purchase and assumption agreement.
- Documentation that all other conditions that the OCC imposed have been met.

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 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. Our 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 United States.

If you have questions regarding this letter, please contact Senior Licensing Analyst Jim Bundy at 720-475-7650, or by email at jim.bundy@occ.treas.gov. Please reference the application control number in any correspondence.

Sincerely,

Ellen Tanner Shepherd

Ellen Tanner Shepherd
Director for District Licensing

cc: Federal Deposit Insurance Corporation
California Department of Financial Institutions
Federal Reserve Bank of San Francisco