

Monthly Bulletin

California Department of Business Oversight



Volume 2, Number 5

November 2014

California Drought Update:

Statewide Water Conservation Receding

After leveling off in September, statewide residential water conservation receded in October to just a 6.7 percent reduction in year-over-year water use. That was down from a 10.3 percent savings in September and an 11.6 reduction in August. "Recent rains are no reason to let up on our conservation efforts," said Felicia Marcus, chair of the State Water Board. "It will take many sustained storms to get us out of this horrible drought. This latest report raises questions whether some residents have slowed on water conservation efforts, whether conditions like temperature made a big difference in different areas, or whether it is just time to direct agencies to find additional conservation opportunities in day-to-day water use."



"Heading into 2015, our reservoirs remain at historic lows and our snowpack is a fraction of what we need, so the stakes are even higher than this time last year," Marcus said. "We'll hope for sustained rain and snow, especially snow, but have to plan as if it will be another dry year-- until it's not. Every drop saved today will be a treasure later if it doesn't rain enough."

The DBO encourages its licensees to continue to conserve water and to encourage water conservation among their customers.

Governor Brown has called on all Californians to reduce their water use by 20 percent and prevent water waste. Visit [Save our Water.com](http://SaveourWater.com) to find out how to do your part, and visit Drought.CA.Gov to learn more about how California is dealing with the effects of the drought.

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Executive Staff Appointments



Tom Dresslar

Tom Dresslar on Nov. 12 was sworn in as special assistant to the commissioner at the DBO. Dresslar had served as communications director at the California State Treasurer's Office since 2007. He was press secretary at the California Department of Justice from 2002 to 2006 and was principal consultant to the California Joint Committee on Legislative Audit in 2002. Dresslar served as special assistant to the speaker in the California State Assembly Speaker's Office of Oversight from 2000 to 2002 and was the Sacramento bureau chief at the Daily Journal from 1987 to 2000. Prior to that, he worked as a staff reporter at the Sacramento Daily Recorder from 1986 to 1987 and an editor and staff reporter at the Auburn Journal from 1984 to 1986. Dresslar served in the U.S. Air Force as a flight records and airfield management specialist from 1971 to 1979.

Stephen Lau

Governor Brown on Nov. 10 announced the appointment of Stephen Lau as assistant general counsel at the DBO. Lau had been a partner at Mennemeier Glassman LLP since 2014, where he was of counsel from 2010 to 2014 and an associate from 2003 to 2010. He was a law clerk for the Honorable William B. Shubb at the U.S. District Court, Eastern District of California from 2002 to 2003. Lau is director-at-large of the Asian Pacific Bar Association of Sacramento and a member of the Sacramento Chapter of the Federal Bar Association, where he was president in 2010. He is a member of the Eastern District Conference Planning Committee and a lawyer representative at the Ninth Circuit Judicial Conference. Lau earned a juris doctor degree from the University of California, Davis School of Law.

Rohimah Moly

Governor Brown on Nov. 14 announced the appointment of Rohimah Moly as deputy commissioner of legislation at the DBO. Moly had been director of legislative affairs at the California State Treasurer's Office since 2013, where she served as a special assistant from 2007 to 2013. She was campaign manager and northern California political director at Lockyer for Treasurer from 2003 to 2006. Moly is a member of the Asian Pacific Youth Leadership Project Executive Board.

Highlights of 2014 State Chaptered Legislation

[Highlights of 2014 State Chaptered Legislation](#) is now available on the DBO website. This summary is a compendium of most but not all of the legislation that may affect or be of interest to DBO licensees. There is a brief description of each bill and a link to the text of the chaptered legislation.



We hope you find the Highlights of 2014 State Chaptered Legislation a productive tool. We encourage any suggestions you have to improve its usefulness to you and your organization.

South Napa Earthquake Recovery Progress Update

President Obama on Oct. 27 amended the Sept. 11, 2014 major disaster declaration for the South Napa Earthquake in the counties of Napa and Solano to include individual assistance.



A number of disaster assistance programs have been implemented to help individuals, businesses, farmers and the affected communities recover from this quake. Still, officials expect a long recovery period due to the nature of the disaster and its effect on the region's economy.

DBO Commissioner Jan Owen asks that lending institutions recognize the severity of the situation and work with the survivors affected by this disaster in their efforts to repay loans, to the greatest extent prudent banking practices will allow.

Banks Must Submit Lists of Offices by Dec. 31

Pursuant to Financial Code section 1077, all commercial banks, industrial banks and trust companies are required to file with the DBO a list of all offices they currently maintain and operate. The report must specify the type of each office listed (branch or facility, head office, but not ATMs) and its complete address. Please note: This requirement does not apply to other licensee types, e.g., credit unions and money transmitters.



Banks should submit the information to the DBO on or before Dec. 31.

Responses may be submitted by email to Licensing@dbo.ca.gov or by postal mail to Department of Business Oversight, Division of Financial Institutions, Attn: Strategic Support Section, 45 Fremont Street, Suite 1700, San Francisco, CA 94105-2219.

For questions please contact Patrick Carroll at Patrick.Carroll@dbo.ca.gov or call (415) 263-8559.

Electronic Filing of Local Agency Reports

Governor Brown signed Assembly Bill 2298, allowing financial institutions that hold local agency deposits to submit their weekly reports to the California Department of Business Oversight (DBO) electronically by email or facsimile rather than through U.S. mail. The law takes effect Jan. 1, 2015. The weekly report as of Wednesday, Jan. 7, 2015 will be the first weekly report to which the provisions of AB 2298 will apply.



To further reduce the regulatory burden on reporting institutions, the DBO is developing standardized electronic reporting forms for weekly reporting pursuant to Government Code section 53663(b), and for quarterly reporting pursuant to Government Code section 53661(e). Both forms will be in Excel file format and will be available on the DBO's web site. Weekly and quarterly forms will be optional until Apr. 28, 2015 (due date for the Mar. 31, 2015 quarterly call report). During the optional forms use period, DBO will solicit input from reporting institutions on their experience using the forms and suggestions for improvement. The DBO anticipates reporting on the weekly and quarterly forms will become mandatory starting Apr. 29, 2015.

Reporting institutions will receive notice from the DBO directing them to download the weekly and quarterly forms from the DBO website. Reporting institutions will complete the form on the spreadsheet and send them to the DBO as an email attachment.

Please direct questions or comments to Lisa Huang at (415) 542-6256 or by email at lisa.huang@dbo.ca.gov.

Premium Finance Company Assessment



In accordance with Financial Code Sections 18350, 18351, and 18352, the DBO Commissioner has assessed all California insurance premium finance companies in order to fund the DBO's administration of laws relating to such. An invoice for the assessment on your institution is enclosed. The assessment must be paid in full by Dec. 20.

For the purposes of this assessment, the base rate is set at 0.0080549154718575 percent of each company's total assets as of Dec. 31, 2013. The amount of the assessment on each company is calculated in accordance with Financial Code Sections 18350 and 18351. The minimum amount for any institution is \$250.

Premium finance companies wishing to pay by check should mail their payments to:

Department of Business Oversight
Attn: Accounting Section
1515 K Street, 2nd Floor
Sacramento, CA 95814-4052

Premium finance companies wishing to pay by EFT should route their payments in the form of an ACH (CCD or CTX payment format) to the routing and account numbers below. Please include the invoice number with your EFT payment.

UPIC Account Number: 10440639
Routing Number: 021052053

If you have any questions about payment or your assessment, please contact Mbiye Tshionza in the Accounting Section at (916) 322-5974 or by email at Mbiye.Tshionza@dbo.ca.gov. You also can contact Strategic Support Manager Patrick Carroll at (415) 263-8559 or by email at Patrick.Carroll@dbo.ca.gov.

Commercial Bank Activity

New Bank

Sierra Interim Bank
Opened: 11/14/14

(In connection with the merger of Santa Clara Valley Bank, N.A., Santa Paula, with and into Bank of the Sierra, Porterville)

Acquisition of Control

BankCap Partners Opportunity Fund, L.P., BankCap Partners GP, L.P., and BankCap Equity Fund LLC, to acquire control of Silvergate Bank,

Filed: 10/13/14

Approved: 11/21/14

Cornerstone Community Bancorp, to acquire control of Cornerstone Community Bank

Approved: 10/28/14

John DiNapoli, Jennifer DiNapoli, et al., to acquire control of Focus Business Bank

Approved: 8/7/14

Merger

1st Enterprise Bank, Los Angeles, to merge with and into California United Bank, Encino

Effected: 11/30/14

Independence Bank, Newport Beach, to merge with and into Pacific Premier Bank, Irvine

Filed: 10/29/14

Santa Clara Valley Bank, N.A., Santa Paula, to merge with and into Bank of the Sierra, Porterville

Effected: 11/14/14

Purchase of Partial Business Unit

Americas United Bank, Glendale, to acquire the Lancaster branch of Silvergate Bank, La Jolla

Effected: 3/31/14

Grandpoint Bank, Los Angeles, to acquire the banking business of Wedbush Bank, Los Angeles

Effected: 6/4/14

Credit Union Activity

Merger

Big Valley Federal Credit Union, Sacramento, to merge with and into First U.S. Community Credit Union, Sacramento

Filed: 10/29/14

Merger (Continued)

Santa Cruz County Employees Credit Union, Santa Cruz, to merge with and into Bay Federal Credit Union, Santa Cruz

Filed: 6/26/14

Approved: 8/4/14

Effectuated: 11/1/14

Sunnyvale Federal Credit Union, Sunnyvale, to merge with and into Technology Credit Union

Filed: 11/3/14

Premium Finance Company Activity

New Premium Finance Company

PREMIUM HUB, INC.

660 Newport Center Drive, Newport Beach, Orange County

Opened: 11/19/14

Foreign (Other State) Bank Activity

New Facility

Metropolitan Capital Bank & Trust

465 California Street, City and County of San Francisco (Facility – Insured Bank)

Notified: 10/29/14

Opened: 11/1/14

Money Transmitter Activity

New Transmitter

HSI USA Inc., aka hyperWALLET

Withdrawn: 11/3/14

Acquisition of Control

FleetCor Technologies, Inc., to acquire control of Comdata Network, Inc. of California
Approved: 11/12/14

JAN LYNN OWEN
Commissioner of Business Oversight

*Bulletin for Month ended November 2014, issued pursuant to Financial Code section
376*



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