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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of)
CALIFORNIA BUSINESS BANK)

CEASE AND DESIST ORDER
(Fin. Code, § 581)

THE COMMISSIONER OF BUSINESS OVERSIGHT (“COMMISSIONER”) FINDS THAT:

- 1. California Business Bank (“Bank”) is a corporation organized under the laws of the State of California and authorized by the Commissioner to transact commercial banking business in the State of California.
- 2. The Bank was chartered on November 1, 2005 and is headquartered in Irvine, California.
- 3. On February 19, 2019, the Bank’s Chief Executive Officer resigned.
- 4. On July 18, 2019, the Bank’s Chief Financial Officer resigned.
- 5. On August 30, 2019, the Bank’s Chief Credit Officer resigned.
- 6. The Bank does not have any other executive officers.

BASED UPON THE FOREGOING, it is hereby ORDERED, that pursuant to Financial Code section 581:

- 1. The Bank shall have and retain qualified management.
 - (a) Each member of management shall have qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Management shall include the following: (i) a chief executive officer with proven ability in managing a bank of comparable size and risk profile; (ii) a chief financial officer with proven ability in all aspects of financial

1 management; and (iii) a chief credit officer with significant lending, collection, and loan supervision
2 experience.

3 (b) Within 15 days from the effective date of this Order, the Bank shall submit to
4 the Commissioner and the Regional Director of the Federal Deposit Insurance Corporation's
5 ("FDIC") San Francisco Regional Office ("Regional Director") a complete application that complies
6 with Section 32 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831i, and Subpart F of Part 303
7 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 303.100-303.104 ("Section 32 application"), for a
8 qualified chief executive officer. Alternatively, within 15 days from the effective date of this Order,
9 the Bank may submit a complete Section 32 application, including a copy of the consultancy
10 agreement, for a qualified interim/consultant chief executive officer who would manage the Bank
11 while the Bank searches for a permanent chief executive officer. If the Bank chooses to hire an
12 interim/consultant chief executive officer, the Bank shall submit a complete Section 32 application
13 for a permanent chief executive officer within 90 days from the effective date of this Order.

14 (c) Within 45 days from the effective date of this Order, the Bank shall submit a
15 complete Section 32 application for a qualified chief financial officer.

16 (d) Within 45 days from the effective date of this Order, the Bank shall submit a
17 complete Section 32 application for a qualified chief credit officer.

18 (e) Each member of management shall be provided appropriate written authority
19 from the Bank's Board of Directors to implement the provisions of this Order.

20 (f) The qualifications of management shall be assessed on its ability to:

- 21 (i) comply with the requirements of this Order;
 - 22 (ii) operate the Bank in a safe and sound manner;
 - 23 (iii) comply with applicable laws and regulations; and
 - 24 (iv) restore all aspects of the Bank to a safe and sound condition, including
25 asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to
26 market risk.
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1 (g) Prior to the employment of any individual as a senior executive officer or as an
2 interim senior executive officer, the Bank shall obtain written approval of the Commissioner and the
3 Regional Director.

4 2. Beginning with the effective date of this Order, and until the Bank has hired a
5 permanent qualified chief credit officer, the Bank shall not make any new loan without the prior
6 written approval of the Commissioner and the Regional Director.

7 3. Within seven days of the effective date of this Order, and weekly thereafter, the Bank
8 shall furnish written progress reports to the Commissioner and Regional Director detailing the actions
9 taken to secure compliance with this Order. Such reports shall include, at a minimum, the efforts
10 taken to identify candidates to fill the management positions identified in this Order, the names of the
11 candidates that the Bank is considering, and the names of the candidates that Bank has interviewed
12 and the dates that interviews occurred.

13 4. The provisions of this Order shall not bar, estop, or otherwise prevent the Department
14 of Business Oversight, the FDIC, or any other federal or state agency or department from taking any
15 other action against the Bank.

16 This order is to remain in full force and effect until further order of the Commissioner.

17 DATED: August 30, 2019
18 Sacramento, California

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20 _____ /s/ _____

21 AARON PROSPERI
22 Deputy Commissioner of Banking
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