



Comptroller of the Currency
Administrator of National Banks

Western District Office
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Denver, Colorado 80202-5534
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Conditional Approval #903
June 2009

May 7, 2009

Deborah A. Marsten
Spokesperson and Chief Financial Officer
Grandpoint Bank & Trust, N.A. (proposed)
333 South Grand Avenue, Suite 4250
Los Angeles, California 90071

Re: Grandpoint Bank & Trust, National Association (proposed)
Los Angeles, California
OCC Control No.: 2008-WE-01-0008

Dear Ms. Marsten and Organizers:

The Comptroller of the Currency (OCC) hereby grants preliminary conditional approval to the organizers' application to establish a new national bank with the title of Grandpoint Bank & Trust, National Association (proposed) (hereinafter "Bank").

This decision is based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives, and a determination that the proposal met certain regulatory and policy requirements. This decision to grant preliminary conditional approval is granted with the understanding that the Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the proposed Bank to open will not be granted until all pre-opening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

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This preliminary conditional approval is subject to the following conditions:

- The Bank: (i) shall give the OCC's Southern California – North Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations, and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations including its trust operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. This condition shall remain in effect during the Bank's first three years of operation, except as it relates to the bank's trust department activities. This condition shall remain in effect for the trust department activities until lifted by the OCC. Additionally, for the first three years of operation, the Bank must also provide a copy of such notice to the FDIC's San Francisco Regional Office.

This condition 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 hereby also approves your proposal to conduct fiduciary powers pursuant to 12 USC 92a. This approval constitutes a permit to conduct the fiduciary powers requested in your application [12 CFR 5.26(e)(4)]. Per your application, exercise of trust powers is limited to providing investment advice for a fee to financial institutions.

The OCC must approve any trust management change the Bank makes prior to commencing fiduciary activities, and the Bank must notify this office in writing within 10 days after commencing trust activities.

The board of directors must provide for the establishment and administration of the trust department either through the adoption of amendments to the bylaws or by appropriate resolutions. You will note that 12 CFR 9.4 places responsibility on the board of directors for the proper exercise of the Bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide:

- A proper delineation of duties for trust officer(s) and committee(s).
- Adherence to the self-dealing and conflicts of interest provisions under 12 CFR 9.12.
- The designation of the officers or employees responsible for custody of the trust

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investments in conformity with 12 CFR 9.13(a).

The establishment and administration of the trust department may appear in the bylaws or in the board resolutions, or partly in the bylaws and partly in the resolutions. After adoption, a copy of those provisions should be furnished to the trust officer(s) for guidance.

The Bank's initial paid-in capital, net of all organizational and pre-opening expenses, shall be no less than \$69,500,000. The manner in which capital is raised must not deviate from that described in the business plan without prior OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, the approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

Final approval will not be granted until and unless the Federal Reserve acts favorably on your application for Grandpoint Capital, Inc. to acquire the Bank. You must furnish the OCC with a copy of all related filings to the Federal Reserve, including registration material as applicable.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application.

<u>Name</u>	<u>Proposed Position</u>
Carole J. La Caze	Organizer, Director
Jan R. Cloyde	Director, SVP – Marketing and Sales
Charles R. Fullerton, Jr.	Organizer, Director
Don M. Griffith	Organizer, Director, Chairman, President and CEO
Robert M. Laverty	Organizer, Director
Deborah A. Marsten	Organizer, Director, Chief Financial Officer and Chief Operations Officer
David J. Ross	Chief Credit Officer
Bertram R. Zweig	Organizer, Director

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

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The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for the instructions on organizing your Bank. The booklet is located at the OCC’s web site: www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf. The booklet contains all of the steps you must take to receive your charter.

As detailed in the booklet, you may establish the corporate existence of the Bank and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to this office for review and acceptance. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

After reading the instructions for the organization of a new national bank, it is suggested that you or another designated representative consult with Senior Licensing Analyst Jim Bundy at 720-475-7650 to discuss the organizational process. The OCC believes that such a meeting can contribute to a more efficient and effective organization process and help avoid common mistakes that have delayed or prevented other banks from opening.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank’s request for a pre-opening examination and before the OCC will grant final charter approval:

1. The Bank must submit to the OCC’s Southern California - North Field Office for review and approval a complete description of the Bank’s final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

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2. The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:
 - All access points, including the Internet, Intranet, or remote access.
 - The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, refer to the FFIEC IT Examination E-Banking Handbook, pages 26-30, Information Security Program. This booklet is located at the FFIEC's Web site: http://www.ffiec.gov/ffiecinfobase/html_pages/it_01.html.

3. The Bank must have a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 CFR 30, Appendix B.
4. The Bank must submit to the OCC's Licensing division information satisfactory to the OCC regarding the third party valuation and transaction details relating to the Bank's acquisition of DataTech .

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the Comptroller's Licensing Manual, which is available only in electronic form at our web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

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 organizers' 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

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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.

You should direct any questions concerning preliminary conditional approval to Senior Licensing Analyst Jim Bundy at (720) 475-7650.

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

Ellen Tanner Shepherd
Director for District Licensing

Enclosures: Minimum Policies and Procedures
Standard Requirements
Survey Letter