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**Comptroller of the Currency  
Administrator of National Banks**

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Western District Office  
50 Fremont Street, Suite 3900  
San Francisco, CA 94105  
(415) 545-5900, FAX (415) 545-5925

**Corporate Decision #98-02  
January 1998**

September 18, 1997

Mr. Robert McGill  
President and CEO  
Neighborhood National Bank (In Organization)  
530 Broadway  
Suite 604  
San Diego, California 92101-4590

Re: New Bank Charter - Neighborhood National Bank, San Diego, California  
Control Number 94-WE-01-004

Dear Mr. McGill:

The Office of the Comptroller of the Currency (OCC) has found that you have met all conditions and requirements imposed by the OCC and completed all steps necessary to commence the business of banking. **You are authorized to open Neighborhood National Bank, San Diego, California on September 19, 1997.** A certificate of authorization to commence business as a national banking association is enclosed.

You are reminded that several of the conditions and standard requirements contained in the preliminary, conditional approval letter dated December 23, 1994, will continue to apply once the bank opens, and by opening, you are agreeing to subject your association to these conditions of operation. Some of the conditions and requirements bear reiteration here:

1. The community development focus of the bank must be included in the bank's articles of association, and the bank must obtain the prior approval of the OCC before amending its articles of association to alter its business operations from those of a community development focus.
2. The bank's books will be maintained on an accrual method acceptable to the OCC.
3. The bank must purchase adequate fidelity bond coverage in accordance with

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12 C.F.R. 7.2013, which lists four factors the Directors should consider to determine adequacy.

4. For a period of two years after the bank has opened for business, the Western District Office must review and have no objection to any new executive officer or director prior to that person assuming such position. The proposed person may not assume the position until the OCC has issued a letter of no objection.
5. The President must serve as a member of the board of directors.
6. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintenance of an internal control system that ensures compliance with the currency reporting and record keeping requirements of the Bank Secrecy Act (BSA). The board is expected to train its personnel in BSA procedures and designate one person or a group to monitor day-to-day compliance.

Assistant Deputy Comptroller Steven Vander Wal will be responsible for the ongoing supervision of your bank. Should you have any questions, please contact him at (714) 541-3397.

Very truly yours,

/s/

James A. Bundy  
Licensing Manager  
Western District

Enclosure