



Comptroller of the Currency
Administrator of National Banks

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

March 9, 2001

Conditional Approval #458
April 2001

Ramona National Bank (In Organization)
c/o John Farkash - Spokesperson
P.O. Box 576
Rancho Santa Fe, California 92067

Re: Charter Application No. 2000 WE 01 0011
Ramona National Bank (In Organization)
Ramona, California, Charter No. 24100

Dear Mr. Farkash:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Ramona National Bank, to be located in Ramona, California. On this date, we found that your proposal meets the requirements for preliminary conditional approval. This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the organizers' representatives. We have also made our decision with the understanding that the proposed national bank will be FDIC insured and the expectation that it will become a member of the Federal Reserve System.

This approval is subject to the condition that the bank shall provide the OCC's Southern California - South Field Office, 1925 Palomar Oaks Way, Suite 202, Carlsbad, California, 92008-6526 at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the first three years of operation. This condition is enforceable under 12 USC 1818. The bank must also provide a copy of such notice to the FDIC's San Francisco office.

Our approval is also subject to a pre-opening requirement that the bank must raise a minimum of \$7.0 million in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR 5.20(i)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary approval should any interim development be deemed by the OCC to warrant such action.

Please refer to the "Corporate Organization" booklet in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. 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 and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

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

Roy Lewis	Director, President, Chief Executive Officer
Timothy Buzbee	Director
Orrin Day, Jr.	Director
John Farkash	Chairman of the Board
William Fox	Director
Frank Karlsson	Director
Lester Machado	Director
G. Alex Sinclair	Director
Anton Westbrook	Director
Ernest Auerbach	Controlling Owner

Background checks on proposed Directors Lauren Blagg and Chip Rumis, Jr. and proposed Chief Financial Officer Shelly Hicks have not yet been completed. We will notify you when we have completed our review.

Additional executive officers and directors are subject to the OCC's prior review and clearance before opening. Also, please note that the OCC requires that you obtain prior approval of additions or changes in directors and executive officers for two years after the bank opens for business.

We urge you and the Board of Directors to become familiar with the filing obligations of the Securities Exchange Act of 1934 ("34 Act") and 12 C.F.R. Part 11. The bank may be required to file reports with the OCC under the 34 Act and Part 11 if: (1) the bank at the end of any fiscal year has 500 or more shareholders of record; or (2) the bank made a public offering of securities subject to 12 C.F.R. Part 16 during the bank's organizational process. We encourage you to contact the OCC's Securities & Corporate Practices Division at (202) 874-5210 if you have any questions about the bank's securities disclosure obligations.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If you have any questions about our conditional approval or the organizational process please contact Corporate Analyst Joseph T. Burbridge at (415) 545-5922 or write to the address reflected above.

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-

James A. Bundy
Licensing Manager
Western District

Enclosures: Minimum Policies and Procedures
Standard Requirements