



Comptroller of the Currency
Administrator of National Banks

Licensing Operations

Western District Office
50 Fremont Street, Suite 3900
San Francisco, California 94105-2292
(415) 545-5900, FAX (415) 442-5315

August 23, 2002

**Conditional Approval #547
September 2002**

Ronald J. Carlson, President and CEO
Landmark National Bank
937 Lomas Santa Fe Drive
Solana Beach, California 92075

Re: New Bank Charter No: 24296
Landmark National Bank, Solana Beach, California
CAIS Control Number: 2001-WE-01-0010 and 2001-WE-05-0061

Dear Mr. Carlson:

The Office of the Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking. Specifically, you have met all the special conditions stated in the February 26, 2002, preliminary conditional approval letter.

You are authorized to open Landmark National Bank on August 26, 2002. We will forward you a Charter Certificate under separate cover.

We do not object to Ronald P. Bird serving as the bank's executive senior vice president and vice chairman, Frederick J. Mandelbaum serving as chief credit officer, and Mary C. Wright serving as the chief financial officer.

The Bank: (i) shall give the Southern California – South 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. This condition is enforceable under 12 USC 1818. 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.

* If such deviation is the subject of an application filed with the OCC, the OCC does not require notice to the supervisory office.

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

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act (12 USC 1817 (j)) by virtue of its national bank charter.
2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (BSA). The board must train its personnel in BSA procedures and designate one person or group to monitor day-to-day compliance.
3. For a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director prior to that person assuming such position. The proposed individual may not assume the position until the OCC has issued a letter of no objection.

This letter is also the official *authorization* given by the Comptroller of the Currency ("OCC") for the bank to establish **Branch No. 121683A**, known as "In-House Messenger Service," to provide messenger services throughout San Diego County, California.

The operation of the service is limited to that location where the bank could legally establish a permanent branch under applicable federal and state law and within the geographic areas where the notice of the proposed mobile service was published. After the service begins operations, the bank must maintain a log of operations, indicating the date, specific location, and a description of each stop (e.g., office, store, residence, etc.). At all times, the service must be maintained and operated in compliance with the relevant provisions of *12 C.F.R. 21* and the *Bank Protection Act of 1968*. If you desire to operate the service outside of the area where notice was published, please file a branch application and contact Licensing Operations for additional information.

Prior to closing a branch, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to *12 USC 1831r-1*. Following the closing of the branch, the bank should submit a final closing notice to this office.

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.

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 U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

On behalf of the OCC, welcome to the national banking system. Should you have any questions, please contact Assistant Deputy Comptroller Steven J. VanderWal at (760) 438-8041, who will be responsible for the ongoing supervision of your institution.

Sincerely,

-signed-

Geryl N. Race
Acting Licensing Manager
Western District