



MANHATTAN BANCORP

March 9, 2009

Office of the
Special Inspector General
TARP
1500 Pennsylvania Avenue, NW
Suite 1064
Washington, D.C. 20220

RE: UST Sequence Number 80- Manhattan Bancorp

To whom it may concern:

In conjunction with Capital Purchase Program associated with the Trouble Assets Relief Program ("TARP"), Manhattan Bancorp ("Company"), qualified and received funds totaling \$1.7 million on December 5, 2008.

It was the original intent of the Company to downstream the funds in the form of a capital infusion into its sole operating subsidiary, Bank of Manhattan ("Bank"). The current intention of the Company is to return the funds to the United States Treasury Department, a process which is currently underway.

Subsequent to the receipt of the TARP funds, the Company benefitted from the second closing of a private placement totaling \$13.7 million on December 30, 2008. The Board of Directors of the Company authorized the downstreaming of \$6.8 million of the Company's cash to the Bank to provide liquidity and to facilitate the granting of loans to the Bank's customer base. This occurred on December 31, 2008.

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In the interim, the Company has complied with the initial requirements regarding restrictions on Executive Compensation, including the modification of employment agreements for executive officers. The Company is evaluating existing salary continuation arrangements and will seek to conform such agreements to any new limitations imposed by the American Recovery and Reinvestment Act of 2009.

The Compensation Committee of the Board has met with its senior risk officer as required to complete its review of incentive compensation arrangements within 90 days following the receipt of the TARP funds.

As a duly authorized senior executive of Manhattan Bancorp, I hereby certify to the accuracy of all statements, representations, and supporting information, if any.

Very truly yours,

A handwritten signature in black ink that reads "Dean Fletcher". The signature is written in a cursive style with a large initial "D" and "F".

Dean Fletcher
Executive Vice President
Chief Financial Officer