

# **FEDERAL DEPOSIT INSURANCE CORPORATION**

Re: Wedbush Bank, FSB  
Los Angeles, California

Application for Federal Deposit Insurance

## **ORDER**

The FDIC has satisfactorily resolved the factors enumerated in section 6 of the Federal Deposit Insurance Act, as they relate to the application for Federal deposit insurance submitted by Wedbush Bank, FSB, a proposed new bank to be located in Los Angeles, California. Accordingly, it is hereby ORDERED that the application be approved, subject to the following conditions:

1. Beginning paid-in capital funds shall not be less than \$20,000,000.
2. The institution's Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the institution's primary federal regulator) shall be maintained at not less than eight percent (8%) throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided.
3. Any changes in proposed management or the proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of stock, shall be approved by the FDIC prior to opening.
4. An accrual accounting system shall be adopted for maintaining the financial records of the institution.
5. Federal deposit insurance shall not become effective until the applicant is authorized to operate as a Federal Savings Bank by the appropriate Federal authority.
6. Wedbush, Inc., a registered or proposed thrift holding company, has obtained approval from the Office of Thrift Supervision to acquire voting stock control of the proposed depository institution prior to its opening for business.
7. The persons(s) selected to serve as the principal operating officers(s) shall be acceptable to the appropriate FDIC regional director (DSC).
8. Prior to the effective date of Federal deposit insurance, the institution shall obtain surety bond coverage in a sufficient amount to conform to generally accepted banking practices.
9. The institution shall obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective and shall submit to the appropriate FDIC regional director, (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (iii) written notification within 15 days when a change in the institution's independent auditor occurs.

10. If the institution does not commence operations within twelve months from the date of this ORDER, the consent granted herein shall expire, unless the Corporation approves a request for an extension of the deadline prior to the expiration. In the interim, the Corporation shall have the right to alter, suspend, or withdraw this approval should any development warrant such action.

By Order of the Regional Director of the San Francisco Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated at San Francisco, California this 22 day of February, 2008.

/s/

\_\_\_\_\_  
Stan Ivie  
Regional Director