

DIVISION OF FINANCIAL INSTITUTIONS  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII

IN THE MATTER OF THE )  
APPLICATION OF )  
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 )  
Ohana Pacific Bank )  
(In Organization) )  
 )  
 )  
For Preliminary Approval to Organize )  
a Bank, Pursuant to Chapter 412, )  
Hawaii Revised Statutes )  
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DECISION AND ORDER  
REGARDING APPLICATION OF  
OHANA PACIFIC BANK  
(IN ORGANIZATION)

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OHANA PACIFIC BANK  
(IN ORGANIZATION)

DIVISION OF FINANCIAL INSTITUTIONS  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII  
335 Merchant Street, Room 221  
Post Office Box 2054  
Honolulu, Hawaii 96805

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII

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DECISION AND ORDER REGARDING  
APPLICATION OF  
OHANA PACIFIC BANK  
(IN ORGANIZATION)

|     |                                  |                                      |
|-----|----------------------------------|--------------------------------------|
| To: | Mr. Gary M. Horgan               | Mr. Woon Seok Hyun                   |
|     | Attorney at Law                  | Proposed Chief Executive Officer     |
|     | Horgan, Rosen, Beckham & Coren   | Ohana Pacific Bank (In Organization) |
|     | 23975 Park Sorrento, Suite 200   | 1600 Kapiolani Boulevard, Suite 628  |
|     | Calabasas, California 91302-4001 | Honolulu, Hawaii 96814               |

Pursuant to the authority granted to the Commissioner of Financial Institutions (the "Commissioner"), Division of Financial Institutions, Department of Commerce and Consumer Affairs, State of Hawaii, in Chapter 412, Hawaii Revised Statutes ("HRS"), and all applicable Hawaii Administrative Rules ("HAR"), the following findings of fact and conclusions of law are hereby entered:

## FINDINGS OF FACT

1. The applicant in this matter is Ohana Pacific Bank (In Organization), (hereinafter referred to as "Ohana Pacific" or "Applicant"). Ohana Pacific, through its attorney, has applied for preliminary approval to organize as a Hawaii financial institution. Upon final approval for charter from the Commissioner and federal deposit insurance from the Federal Deposit Insurance Corporation (the "FDIC"), Ohana Pacific will be incorporated and registered as a domestic corporation authorized to do business in the State of Hawaii.

2. Ohana Pacific submitted an application to the Commissioner for preliminary approval to organize a bank in accordance with HRS Section 412:3-201 dated July 12, 2005. Additional supporting information dated August 11, 2005, August 23, 2005, September 15, 2005, September 16, 2005, September 22, 2005, September 23, 2005, September 28, 2005, September 29, 2005, September 30, 2005, October 7, 2005, October 28, 2005, November 1, 2005, November 3, 2005, November 9, 2005, November 10, 2005, November 15, 2005, November 16, 2005, November 17, 2005, and November 22, 2005 was submitted (collectively referred to as the "Application").

3. The individuals filing the Application were Woon Ik Chung, Woon Seok Hyun, Hyung Kwon Cha, Nicole Inja Choi, David Hyunin Jung, Donald Bum Sik Kang, Joo Young Kim, Rex Kee Chul Kim, William Chul Kim, Soung Ho Yoon, and Sangghon Rhee, all residents of the State of Hawaii, except for William Chul Kim and Joo Young Kim who are residents of California and Korea, respectively.

4. Ohana Pacific requested and received confidentiality on certain portions of the Application as provided by HRS Chapter 92F, HRS Sections 412:2-104(a) and 412:3-201(d), and HAR Sections 16-25-27(b) and 16-25-28.

5. Ohana Pacific simultaneously submitted the Application dated July 12, 2005 to the FDIC for federal deposit insurance in accordance with the Federal Deposit Insurance Act.

6. Ohana Pacific's proposed principal office will be located at 1357 Kapiolani Boulevard, Suite G-102, Honolulu, Hawaii 96814. In addition, Ohana Pacific will maintain a support office that is within walking distance to the proposed principal office; however, the location of the support office has not yet been identified. The support office will be limited to handling administrative functions and will not be open to the public.

7. The proposed directors and executive officers of Ohana Pacific are Woon Ik Chung, Chairman of the Board; Woon Seok Hyun, Director and Chief Executive Officer; James Ewing, Chief Credit Officer; Lou Ellen Ficke, Chief Financial Officer; Hyung Kwon Cha, Director; Nicole Inja Choi, Director; David Hyunin Jung, Director;

Donald Bum Sik Kang, Director; Rex Kee Chul Kim, Director; Sangghon Rhee, Director; Wayne Miyao, Director; and Michael Tanaka, Director.

8. The proposed directors and executive officers of Ohana Pacific include experienced bankers, attorneys, business professionals, as well as a finance professor, each with records of successful accomplishment in their respective fields.

9. Ohana Pacific is a proposed bank with no previous operating experience. The Application proposes the organization of a commercial bank to initially serve the deposit and the loan needs of Korean businesses and residents of Korean descent. Ohana Pacific has proposed policies to comply with all applicable federal and state laws.

10. Initially, Ohana Pacific will not have any branch offices, service corporations, affiliates, or subsidiaries and will not be a subsidiary of a holding company.

11. The proposed capital plan for Ohana Pacific estimates an initial capitalization of approximately \$14,000,000. Ohana Pacific's pro forma financial statements submitted as part of its business plan reflect an initial capitalization in the amount of \$12,000,000. Both amounts exceed the minimum statutory requirement of \$5,000,000 in HRS Section 412:3-209. Pro forma financial statements for the first three years of operations indicate that Ohana Pacific will continue to have capital in excess of \$5,000,000.

12. The Application was determined to be complete and accepted by the Commissioner on September 26, 2005.

13. A Notice of the Application for Preliminary Approval to organize a bank was published once a week for three successive weeks in The Honolulu Star-Bulletin, a newspaper of general circulation in the City and County of Honolulu, on October 4, October 11, and October 18, 2005. The nonconfidential portions of the Application were available for inspection and reviewed by the public. No comments on the Application or requests for an informational and comment proceeding on the Application were filed with the Commissioner during the 15-day comment period that ended on November 2, 2005.

## **CONCLUSIONS OF LAW**

Upon review and consideration of the Application, and its supporting and incorporating documents, it is concluded that:

1. Pursuant to HRS Chapter 412, Code of Financial Institutions, the Commissioner has jurisdiction over this Application.
2. The Application submitted to the Commissioner is in a form prescribed by or acceptable to the Commissioner and includes, together with supporting and incorporating documents, information required by the Commissioner to make the findings of fact and the conclusions of law set forth herein. Portions of the Application have been deemed confidential by the Commissioner as it contains information that may be withheld from disclosure under HRS Chapter 92F, HRS Sections 412:2-104(a) and 412:3-201(d), and HAR Sections 16-25-27(b) and 16-25-28.
3. Sufficient information has been provided to enable the Commissioner to find the necessary facts and reach the required conclusions needed before issuing a decision on this Application.
4. Upon consideration and review of the Application and its supporting documents, it is concluded that the proposed activities of the bank will be in compliance with the requirements of HRS Chapter 412 and all other applicable laws, rules, and orders, and the proposed operations of the financial institution will be conducted in a safe and sound manner. It is also concluded that the qualifications, character, financial responsibility, experience, and general fitness of the proposed directors and executive officers of Ohana Pacific are such as will warrant public confidence and a belief that the business of the financial institution will be honestly and efficiently conducted.
5. Upon consideration and review of the Application and its supporting documents, it is concluded that sufficient facts exist showing the necessity or the justification for the bank and that there is a reasonable assurance of sufficient volume of business so that opening and maintaining the proposed bank will not jeopardize the solvency of Ohana Pacific.
6. Any conclusion of law that is deemed to be a finding of fact shall be construed to be a finding of fact.

## ORDER

NOW, THEREFORE, GOOD CAUSE APPEARING, THE FOLLOWING  
DECISION AND ORDER IS HEREBY ENTERED:

Pursuant to HRS Sections 412:3-201 and 412:3-206, the Application of Ohana Pacific Bank (In Organization) for preliminary approval to organize a bank, in accordance with the provisions of HRS Chapter 412, Article 3, is hereby approved. Ohana Pacific Bank (In Organization) shall become an “applicant in organization,” and may take all steps necessary to complete organization and file an application for a charter in accordance with HRS Chapter 412. This approval is subject to the following conditions:

1. Ohana Pacific Bank (In Organization) shall provide to the Commissioner, for prior review and approval, the written stock option plan that is proposed in the Application and may be adopted by the Board of Directors at least 60 days before implementation.
2. Within 60 days hereof, Ohana Pacific Bank (In Organization) shall file its proposed articles of incorporation and bylaws with the Commissioner for approval pursuant to HRS Section 412:3-208.
3. Ohana Pacific Bank (In Organization) shall file with the Commissioner its application for the approval of its capital stock solicitation in accordance with HRS Section 412:3-210. The initial capitalization shall be in an amount not less than \$12,000,000 and not more than \$14,000,000.
4. Ohana Pacific Bank (In Organization) shall add at least one additional outside director who has substantial Hawaii banking experience to its board of directors prior to filing an application for charter. The person selected shall be acceptable to the Commissioner and shall warrant the public’s confidence and a belief that the business of the financial institution will be honestly and efficiently conducted.
5. After completing its organization, Ohana Pacific Bank (In Organization) shall file an application for a charter to engage in the business of a bank with the Commissioner pursuant to HRS Section 412:3-212. The application shall include evidence that federal deposit insurance, fidelity bonds, and any other insurance, of the types and in the amounts represented in its Application for preliminary approval to organize, have been obtained.
6. In accordance with HRS Section 412:3-211, Ohana Pacific Bank (In Organization) shall obtain its required capital, complete its organization, and obtain a charter within one year from the date of incorporation. For good cause, a written order extending the deadline for a period not to exceed six months may be granted by the Commissioner.

This Decision and Order shall be voidable in the sole discretion of the Commissioner if material conditions set forth in this Decision and Order are not fulfilled, if material representations made in support of the Application are not complied with or should be determined to be untrue, or if material facts have been omitted from the Application. This Order does not waive or limit any other remedy available to the Commissioner for violation of law.

DATED AND ENTERED: December 13, 2005, in HONOLULU, HAWAII.

/s/ D. B. GRIFFIN III  
D. B. GRIFFIN III  
COMMISSIONER OF FINANCIAL INSTITUTIONS  
DIVISION OF FINANCIAL INSTITUTIONS  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII

[IN THE MATTER OF THE APPLICATION OF OHANA PACIFIC BANK (IN ORGANIZATION) FOR PRELIMINARY APPROVAL TO ORGANIZE A BANK, PURSUANT TO CHAPTER 412, HAWAII REVISED STATUTES.]