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Comptroller of the Currency  
Administrator of National Banks

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Western District Office  
1225 17<sup>th</sup> Street, Suite 300  
Denver, Colorado 80202  
720-475-7650; Fax: 301-333-7010

**Conditional Approval #813  
September 2007**

August 1, 2007

Carey L. Cooley  
Attorney  
Squire, Sanders & Dempsey, L.L.P.  
Two Renaissance Square  
40 North Central Avenue, Suite 2700  
Phoenix, Arizona 85004-4498

Re: Change in Bank Control Act Notice in Connection with the Proposed Acquisition of Premier Commercial Bank Arizona, National Association, Mesa, Arizona by: Steven J. Ellsworth and Kevin W. Stevenson (collectively, "Notificants").  
OCC Control No.: 2007-WE-11-0002

Dear Ms. Cooley:

On May 21, 2007, the Office of the Comptroller of the Currency (OCC) received a Change in Bank Control Act Notice ("Notice") from the Notificants involving Premier Commercial Bank Arizona, National Association, Mesa, Arizona ("Bank"), pursuant to the requirements of 12 U.S.C. § 1817(j) and 12 C.F.R. § 5.50.

The Bank received a charter from the OCC and opened for business on November 10, 2006. The Bank is approximately 86.5% owned by Premier Commercial Bancorp Inc., ("PCB"), a bank holding company that also owns 100% of Premier Commercial Bank, National Association, Anaheim, California. When the Bank opened for business, Mr. Ellsworth and Mr. Stevenson were executive officers of the Bank and owned the remaining 13.5% of the Bank's shares. They ceased serving as officers of the Bank in January 2007 and formed PCBA Acquisition, LLC ("PCBA").

On March 1, 2007 PCB entered into a stock purchase and sales agreement to sell all of the 86.5% of the Bank's common stock it owns to PCBA, a shell entity formed solely to facilitate the sale of the stock. The two sole principals of PCBA are Mr. Ellsworth and Mr. Stevenson. As proposed, PCBA will solicit investor interest via a private offering. If the offering is successful,

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funds from the offering will be used to acquire the Bank's stock from the holding company, and at consummation, the stock will be immediately distributed to the investors of the offering on a pro rata basis, and PCBA will be dissolved. Subsequently, the Bank will be renamed Valley Capital Bank, National Association.

In addition to establishing PCBA in order to acquire the PCB stock, Mr. Ellsworth and Mr. Stevenson are seeking to complete this transaction so that the Bank will be controlled locally with a changed management team and board of directors. Mr. Ellsworth will serve as Executive Vice President -- Chief Operations Officer and as a director. Mr. Stevenson will serve as Executive Vice President -- Chief Credit Officer and as a director. Under these facts and circumstances, the OCC views Mr. Ellsworth and Mr. Stevenson as "acting in concert" to effect the change in control pursuant to 12 C.F.R §§ 5.50(d)(2) and 5.50(d)(5).<sup>1</sup>

Based on a review of the facts of record and the representations made by the Notificants, the OCC has determined that the Notice is technically complete, and we do not intend to disapprove the proposed change in control. The proposed acquisition may proceed immediately.

The date of consummation of this change in control must be provided to the OCC's Western District Office within 10 days after consummation. The transaction must be consummated exactly as proposed in the Notice and in subsequent representations by the applicants. If any of the terms, conditions, or parties to the transaction change, the OCC must be informed in writing prior to the consummation to determine if any additional action or reconsideration is required. This would include, but not be limited to, changes in the business plan or the addition of a shareholder owning or controlling 10% or more of the bank stock. Depending on the facts and circumstances, an amended or new Notice of Change in Bank Control could be required.

You are also reminded of the requirement that when any acquiring party to a Notice has less than a majority interest at the time of the original Notice, a future Notice will be required if the party becomes the majority shareholder.

In addition, unless an extension is granted, the transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause our decision to lapse and require the filing of a new Notice by the acquiring parties and the payment of the appropriate filing fee if the acquirers wish to proceed with the change in bank control.

Pursuant to Generally Accepted Accounting Principles, pushdown purchase accounting may be required. Under pushdown accounting, when a bank is acquired, yet retains its separate

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<sup>1</sup> Subsequent to the filing of the Notice, the Notificants informed the OCC that Fentura Financial, Inc., Fenton, Michigan ("Fentura"), has proposed to acquire 24.85% of the stock of the Bank from PCBA. Fentura is a registered bank holding company and has made an appropriate filing with the Federal Reserve Bank of Chicago. Fentura does not intend to control the Bank and has made non-control commitments in its filing to the Reserve Bank.

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corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statements of the parent and the acquired bank.

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.

If you have any questions, contact Senior Licensing Analyst Jim Bundy at 720-475-7650.

Sincerely,

*signed*

Ellen Tanner Shepherd  
Director for District Licensing

Enclosure: Survey