



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

August 11, 2014

Mr. Seymour M. Jacobs
Managing Partner
Jacobs Asset Management, LLC
11 East 26th Street, Suite 1900
New York, New York 10010

Dear Mr. Jacobs:

This letter responds to your letter dated June 20, 2014, on behalf of Jacobs Asset Management, LLC (“JAM”), New York, New York, requesting relief from commitments that JAM made to the Board in connection with its purchase of an aggregate principal amount of \$11 million of the preferred shares (collectively, the “Community West CPP shares”) that were issued by Community West Bancshares (“Community West”), Goleta, California, to the Department of the Treasury (“Treasury”) as part of the Troubled Asset Relief Program’s Capital Purchase Program (“CPP”). JAM’s purchase amounted to 72.01 percent of the total Community West CPP shares outstanding as of the purchase date and 21.65 percent of Community West’s total equity. The requested relief would completely relieve JAM from commitments that the Board relied on in determining that JAM would not be able to exercise a controlling influence over Community West for purposes of the Bank Holding Company Act.¹

In 2008, as part of its effort to support the banking system and promote new lending, Treasury invested \$15.275 million in Community West by purchasing the Community West CPP shares. Beginning in 2012, as it proceeded to wind down and recover its investments under the CPP, Treasury sold the CPP shares of a number of banking organizations through an auction process. On December 11, 2012, JAM acquired its Community West CPP shares from Treasury


¹ 12 U.S.C. § 1841 et seq.

through this process and, in that connection, provided the commitments to the Board.

In March and April of 2014, JAM consummated transactions to sell all of its Community West CPP shares back to Community West. Since JAM no longer has any ownership of voting securities of Community West, JAM is presumed not to control Community West. In addition, JAM does not have the right to appoint a director to the board of directors of Community West or have representation on the board. Further, there are no existing business relationships between the two firms. JAM has also provided a written representation that it will not exercise or attempt to exercise a controlling influence over the management or policies of Community West.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved JAM's request for relief from the commitments provided in connection with the investment in Community West. This action is based on the representations and commitments set forth in all of your communications and in correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which JAM may be subject.

Very truly yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Gerald Tsai, Director
Federal Reserve Bank of San Francisco