



July 19, 2017

ELECTION OF DIRECTORS NOMINATION PROCEDURES

To the Member Banks of the Twelfth Federal Reserve District

The Federal Reserve Bank of San Francisco will conduct an election under the provisions of Section 4 of the Federal Reserve Act for the positions held by the following directors of this Bank:

Class A Director Ms. Megan F. Clubb
Chairman of the Board
Baker Boyer National Bank
Walla Walla, Washington

Ms. Clubb was elected by banks in Group Three, which consists of banks having capital and surplus of less than \$35,000,000. At the conclusion of her present term (December 31, 2017), Ms. Clubb will have served two three-year terms and **is not eligible for nomination as a candidate for reelection.**

Class B Director Mr. Richard A. Galanti
Executive Vice President and
Chief Financial Officer
Costco Wholesale Corporation
Issaquah, Washington

Mr. Galanti was elected by banks in Group Two, which consists of banks having capital and surplus of \$35,000,000 or more and less than \$600,000,000. At the conclusion of his present term (December 31, 2017), Mr. Galanti will have served two three-year terms and **is not eligible for nomination as a candidate for reelection.**

Each Federal Reserve Bank has a nine-member board of directors. Three Class A directors and three Class B directors are elected to staggered three-year terms by member banks in the district, and three Class C directors are appointed to staggered three-year terms by the Board of Governors of the Federal Reserve System. Class A directors represent the member banks. Class B and Class C directors represent the public and are chosen with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor and consumers.

For purposes of nominating and electing directors, member banks are divided into three different groups based on levels of capital and surplus. The banks comprising Groups Two and Three are listed on the following pages along with the corresponding list of officers authorized to cast a vote. The group in which a member bank will be entitled to vote will be determined by its classification as of the date of this letter, even though its capital and surplus may subsequently change prior to the date of the election.

Each bank in Group Three is permitted to nominate one candidate for Class A Director, and each bank in Group Two is permitted to nominate one candidate for Class B Director. While the banks in Group One will not vote in this election, this circular is sent to them, without forms, for their information.

The nomination forms for these Class A and Class B positions must be signed by an officer who has been duly authorized to make nominations and can cast votes on behalf of the bank. If your bank has not previously designated an officer for this purpose, it may do so by a resolution of the bank's board of directors or through a provision in the bank's bylaws. If we have no record of such a designation, we have enclosed a designation card for you to return with your nomination.

Nominations must be received by 11:00 a.m. on August 23, 2017. You may return your nomination forms by any reasonable means, including the U.S. Postal Service in the enclosed envelope. You may also send a facsimile to (415) 393-1974 or submit a scanned copy by electronic mail to: sfofficeofthesecretary@sf.frb.org.

On September 7, 2017, a list of the candidates (indicating the nominating banks), a preferential ballot and voting instructions will be mailed to each bank eligible to vote in Groups Two and Three. Voting will begin at 9:00 a.m. on September 14, 2017 and close at 11:00 a.m. on September 29. At that time, the votes will be counted in the Board Room of this Bank, and the election results will be announced. The candidates are invited to be present or represented on that occasion.

If you have any questions concerning this process, please call Cecilia Coronado Blake, Senior Administrator, at (415) 974-3451. I appreciate your participation in this election.

Sincerely,

Alexander R. Mehran
Chairman of the Board

(Enclosures)

Information Concerning Eligibility for Class A and Class B Directorship of a Federal Reserve Bank

Reflected below are policy statements and certain statutory requirements that will be pertinent to your selection of a nominee for Class A and Class B Directors:

Section 4 of the Federal Reserve Act, as amended by the Federal Reserve Reform Act of 1977, reads in part as follows:

“Class A shall consist of three members, without discrimination on the basis of race, creed, color, sex, or national origin, who shall be chosen by and be representative of the stock-holding banks....No officer or director of a member bank shall be eligible to serve as a Class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director....Any person who is an officer or director of more than one member bank shall not be eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director.

“Class B shall consist of three members, who shall represent the public and shall be elected without discrimination on the basis of race, creed, color, sex, or national origin, and with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor, and consumers....No director of Class B shall be an officer, director, or employee of any bank.

“No Senator or Representative in Congress shall be a member of the Board of Governors of the Federal Reserve System or an officer or a director of a Federal Reserve Bank.”

At its meeting of November 10, 1993, the Board of Directors of the Federal Reserve Bank of San Francisco resolved that "all persons who stand for election as Class A or Class B directors of the Federal Reserve Bank of San Francisco shall be citizens of the United States."

In a policy statement issued on January 31, 2006, the Board of Governors of the Federal Reserve System restated its general position that it is "...contrary to the Board's policy for a director to hold, or to be a candidate for, any partisan public office...Similarly, a director may not hold public office in a position that is nominally nonpartisan if the office is viewed by the local public as partisan."

In a policy statement issued on December 5, 2011, the Board of Governors of the Federal Reserve System announced revisions to the policy governing eligibility of Class B directors. The policy states, "By statute, no Class B director may be an officer, director or employee of any bank. In order to give full and meaningful effect to this requirement as well as the requirement that Class B directors be elected with consideration for sectors of the economy beyond banking, it is the Board's policy that a Class B director may not be an officer, director (including advisory director) or employee of a financial affiliation company, except in the limited circumstances described below. For the purposes of this policy, a financial affiliation company is defined as any bank, bank holding company, branch or agency of a foreign bank, Edge Act or agreement corporation, thrift institution, credit union, designated financial market utility ("DFMU"), systematically important financial institution ("SIFI"), or subsidiary of such a company or entity. A financial affiliation company also includes any thrift holding company (also known as a savings and loan holding company), and any company that owns a bank or thrift institution, (but is not a bank holding company or a thrift holding company), if, at the time of election, either (1) the total of all banks and thrifts controlled by the company constitutes 15% or more of the assets of the consolidated holding company or (2) the total assets of the banks and thrifts owned by the company exceed \$10 billion."

GROUP TWO MEMBER BANKS

**28 Banks, each having a combined capital and surplus
of \$35,000,000 or more and less than \$600,000,000**

ONE Class B Director to be elected

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
ALASKA (1 Bank)		
Anchorage	First National Bank Alaska	Chairman, Vice Chairman or President
CALIFORNIA (23 Banks)		
Arcadia	American Plus Bank, N.A.	Chairman, President or Vice President
Costa Mesa	Pacific Mercantile Bank	President only
Fresno	United Security Bank	President only
Goleta	Community West Bank, N.A.	Chairman, President, Vice President or Cashier
Irvine	California First National Bank	President or Cashier
Irvine	Pacific Premier Bank*	Chairman, President or Vice President
La Jolla	Silvergate Bank	Chairman, President or Chief Executive Officer
Long Beach	Farmers and Merchants Bank of Long Beach	Chairman, President, Vice President or Cashier
Los Angeles	Commonwealth Business Bank	Chairman, President or Executive Vice President
Los Angeles	Deutsche Bank National Trust Company	Chairman, President, Vice President, Managing Director or Director
Los Angeles	Far East National Bank	Chairman, President, Vice President or Cashier
Los Angeles	Pacific Commerce Bank	Chairman, President, Vice President or Cashier
San Diego	Bank of Southern California, N.A.	Chairman, President, Senior Vice President, or Cashier
San Diego	Seacoast Commerce Bank	Chairman, President or Chief Executive Officer
San Francisco	Bank of the Orient	Chairman only
San Francisco	Presidio Bank	Chairman, President or Chief Financial Officer
San Jose	Heritage Bank of Commerce	Chairman, Chief Executive Officer or Chief Operating Officer
San Rafael	Westamerica Bank	Undesignated
Santa Rosa	AltaPacific Bank	Chairman, President, Executive Vice President, Senior Vice President or Vice President
Simi Valley	Recontrust Company, N.A.	Chairman or President
South San Francisco	First National Bank of Northern California	Chairman, President, Vice President or Cashier
Walnut Creek	Pacific Coast Bankers' Bank	President and Chief Executive Officer only
Walnut Creek	United Business Bank	Chairman, President, Vice President, Chief Financial Officer or Chief Operating Officer
HAWAII (1 Bank)		
Honolulu	Territorial Savings Bank	Chairman, President, Executive Vice President, Vice President, Chief Financial Officer or Chief Operating Officer

*As of this circular date, Pacific Premier Bank's capital and surplus now exceeds \$600,000,000. Mr. Steven R. Gardner, Class A, Group 2 Director and Chairman, President and Chief Executive Officer of Pacific Premier Bank, was elected to represent member banks in Group 2, prior to Pacific Premier Bank exceeding this threshold. Therefore, Mr. Gardner will remain classified in Group 2 for the remainder of his term which concludes on December 31, 2019.

GROUP TWO MEMBER BANKS (Continued)

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
UTAH (2 Banks)		
Provo	Green Dot Bank	Chairman, President or Vice President
Salt Lake City	Marlin Business Bank	Chairman, President, Vice President or Assistant Secretary
WASHINGTON (1 Bank)		
Everett	Coastal Community Bank	Chairman, President or Executive Vice President / Chief Financial Officer

GROUP THREE MEMBER BANKS

**44 Banks, each having a combined capital and surplus
of less than \$35,000,000**

ONE Class A Director to be elected

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
ARIZONA (4 Banks)		
Goodyear	West Valley National Bank	Chairman, President, Chief Executive Officer or Vice President
Phoenix	Goldwater Bank, N.A.	President only
Phoenix	RepublicBankAz, N.A.	Chairman, President or Vice President
Tucson	Canyon Community Bank, N.A.	Chairman, President, Vice President or Cashier
CALIFORNIA (27 Banks)		
Alhambra	New Omni Bank, N.A.	Chairman, President, Vice President or Cashier
Bakersfield	Mission Bank	Undesignated
Beverly Hills	EH National Bank	Chairman, President, Chief Executive Officer, Vice President or Cashier
Carson	Merchants Bank of California, N.A.	Chairman, President, Vice President or Cashier
Chico	Northern California National Bank	Chairman, President, Vice President or Cashier
Chino	Chino Commercial Bank, N.A.	President only
Irvine	CommerceWest Bank	President only
Irvine	Pacific Enterprise Bank	Chairman, President or Senior Executive Vice President
Long Beach	International City Bank, N.A.	Chairman, President, Senior Vice President, Vice President or Cashier
Los Angeles	State Street Bank & Trust Company of California, N.A.	Chairman, President, Vice President or Cashier
Napa	Bank of Napa, N.A.	Chairman, President, Vice President or Cashier
Oakdale	Oak Valley Community Bank	President only
Rancho Santa Margarita	South County Bank, N.A.	Chairman, President, Vice President, Chief Financial Officer or Chief Operating Officer
Red Bluff	Cornerstone Community Bank	Undesignated
Riverside	First National Bank of Southern California	Chairman, President, Senior Vice President, Vice President or Cashier
Sacramento	Golden Pacific Bank, N.A.	Chairman, President, Vice President or Cashier
Sacramento	The Merchants National Bank of Sacramento	President, Vice President or Cashier
San Diego	Neighborhood National Bank	Chairman, President, Executive Vice President or Cashier
San Francisco	Bessemer Trust Company of California, N.A.	Chairman, President, Managing Director or Cashier
San Francisco	Mission National Bank	President or Vice President/Cashier
San Francisco	Trans Pacific National Bank	Chairman, President, Vice President or Cashier
San Gabriel	Asian Pacific National Bank	Chairman, President, Vice President or Cashier
San Juan Capistrano	Capital Bank	Undesignated
South San Francisco	Liberty Bank	President only
Westminster	California International Bank, N.A.	President only
Whittier	Bank of Whittier, N.A.	President only
Whittier	Friendly Hills Bank	Chairman, President, Vice President, Chief Financial Officer or Chief Operating Officer
HAWAII (1 Bank)		
Honolulu	Hawaii National Bank	Chairman, Vice Chairman, President or Executive Vice President

GROUP THREE MEMBER BANKS (Continued)

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
NEVADA		
(3 Banks)		
Ely	The First National Bank of Ely	Chairman, President, Vice President or Cashier
Las Vegas	Credit One Bank, N.A.	Chairman, President, Vice President or Cashier
Las Vegas	Wells Fargo Financial National Bank	Chairman, President, Vice President, Secretary or Cashier
OREGON		
(3 Banks)		
Florence	Oregon Pacific Bank	President only
Portland	U.S. Bank Trust Company, N.A.	Chairman, President, Vice President, Treasurer or Secretary
Salem	Pioneer Trust Bank, N.A.	Chairman, President or Vice President
UTAH		
(4 Banks)		
Beaver	Utah Independent Bank	President only
Layton	The First National Bank of Layton	President, Vice President, Cashier or Assistant Cashier
Ogden	Bank of Utah	Chairman, President, Vice President or Cashier
Salt Lake City	First Utah Bank	President only
WASHINGTON		
(2 Banks)		
Tacoma	Commencement Bank	Chairman, President or Chief Financial Officer
Walla Walla	Baker Boyer National Bank	President, Vice President or Cashier

Directors of the Federal Reserve Bank of San Francisco

As of July 19, 2017

Name	Occupation	Elected by Banks in Group	Class	Term Expires December 31
Megan F. Clubb	Chairman of the Board Baker Boyer National Bank Walla Walla, Washington	3	A	2017
Peter S. Ho	Chairman, President and Chief Executive Officer Bank of Hawaii and Bank of Hawaii Corporation Honolulu, Hawaii	1	A	2018
Steven R. Gardner	President and Chief Executive Officer Pacific Premier Bank Irvine, California	2	A	2019
Richard A. Galanti	Executive Vice President and Chief Financial Officer Costco Wholesale Corporation Issaquah, Washington	2	B	2017
Steven E. Bochner	Partner Wilson, Sonsini, Goodrich & Rosati, P.C. Palo Alto, California	3	B	2018
Sanford L. Michelman	Chairman Michelman & Robinson, LLP Los Angeles, California	1	B	2019
Rosemary Turner	President UPS Northern California District Oakland, California	Appointed by the Board of Governors of the Federal Reserve System	C	2017
Alexander R. Mehran <i>Chairman</i>	Chairman and Chief Executive Officer Sunset Development Company San Ramon, California	Appointed by the Board of Governors of the Federal Reserve System	C	2018
Barry M. Meyer <i>Deputy Chairman</i>	Chairman and Chief Executive Officer, Retired Warner Brothers Entertainment Founder and Chairman North Ten Mile Associates Los Angeles, California	Appointed by the Board of Governors of the Federal Reserve System	C	2019