



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

January 25, 2017

Mark Chorazak, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Dear Mr. Chorazak:

This is in response to your request on behalf of Castle Creek Capital LLC (“Castle Creek”), Rancho Santa Fe, California, for an exemption from the prohibitions of the Depository Institution Management Interlocks Act (“Interlocks Act”)¹ and the Board’s Regulation L² to permit Mr. John M. Eggemeyer to become a management official of The Bancorp, Inc. (“Bancorp”), Wilmington, Delaware, while at the same time serving as a management official of PacWest Bancorp (“PacWest”), Beverly Hills, California, and Guaranty Bancorp (“Guaranty”), Denver, Colorado.

The Interlocks Act and Regulation L prohibit a management official of a depository institution or a depository holding company with total assets exceeding \$2.5 billion (or of any affiliate of such an organization) from serving at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or of any affiliate of such an organization), regardless of the location of the two depository organizations (“major assets prohibition”).³ Bancorp and each of PacWest and Guaranty have assets that exceed the applicable thresholds of the major assets prohibition.

Mr. Eggemeyer has served as a management official of PacWest and Guaranty since 2000 and 2004, respectively. Castle Creek is an investor in Bancorp and has a contractual right to appoint a director to each of the boards of

¹ 12 U.S.C. § 3201 *et seq.*

² 12 CFR part 212.

³ 12 U.S.C. § 3203; 12 CFR 212.3(c).

directors of Bancorp and its subsidiary state nonmember bank, The Bancorp Bank, Wilmington, Delaware.⁴ Castle Creek has selected Mr. Eggemeyer as its director representative for Bancorp.

Under the general exemption provision of Regulation L, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.⁵ While the Board applies a strong presumption against granting a general exemption, the Board has allowed exemptions to be granted in certain limited situations. The Board has delegated to its General Counsel, in consultation with the Director of the Division of Supervision and Regulation (“Director”), authority to grant exemptions under this provision of Regulation L.

The proposed interlocks between Bancorp and each of PacWest and Guaranty would not result in a monopoly or in a substantial lessening of competition. Bancorp does not compete in the same local banking markets as any of the other institutions.⁶ The interlocks also would not appear to have any substantial effect on competition with respect to the nonbanking activities of Bancorp and each of PacWest and Guaranty.

In addition, the interlocks do not present safety and soundness concerns. Castle Creek contends that Mr. Eggemeyer is qualified to serve as Castle Creek’s management official of Bancorp given his experience and overall availability.

Based on all the facts of this case and for the reasons discussed above, the General Counsel, acting pursuant to authority delegated by the Board and after consultation with the Director, has granted an exemption to allow Mr. Eggemeyer to serve as a management official of Bancorp while also serving as a management official of PacWest and Guaranty.

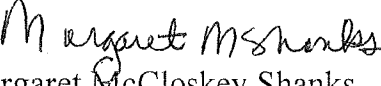
⁴ Mr. Eggemeyer’s service as a management official of The Bancorp Bank while at the same time serving as a management official of PacWest and Guaranty is subject to approval by the Federal Deposit Insurance Corporation (“FDIC”). The FDIC approved Castle Creek’s request by letter dated December 15, 2016.

⁵ 12 CFR 212.6(a).

⁶ Bancorp operates one office in Delaware. PacWest operates 83 offices in California and one office in North Carolina. Guaranty operates 36 offices in Colorado. Bancorp does not have any overlapping banking markets with PacWest or Guaranty.

The Board reserves the right to revoke the exemption should the interlocks result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board