



**Message  
from the  
CEO**

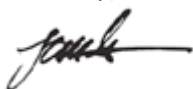
On behalf of our family at First National Bank of Northern California, I want to extend best wishes to you and your family for a wonderful New Year. This last year has literally flown by, and it's hard to believe we are already looking at 2006.

Demonstrating what the true holiday spirit is, we are devoting most of this issue to the story of Lisa Angelot, a First National Bank Board member, who volunteered for disaster relief work in New Orleans with a church group, and had a first hand experience of the clean-up after Hurricane Katrina. We thought this was a good example of the type of giving that should continue all year round.

In addition, you'll find the first in our series of articles on the changing face of banking post 9/11.

As always, outstanding customer service remains our constant goal. If you have any questions or comments, please feel free to contact me directly at [tmcgraw@familybank.com](mailto:tmcgraw@familybank.com) or 650-875-4865.

Sincerely,



**THIS EDITION OF THE FAMILY NEWS** is primarily dedicated to a recent interview with Director Lisa Angelot. Lisa's grandfather, Ricco Lagomarsino was the primary driving force behind the creation of First National Bank of Daly City, as we were then known, back in 1963. Lisa recently went to New Orleans to help with the hurricane Katrina relief effort. As we watched this terrible tragedy unfold on television and in the news, many people were compelled to do something to help. The Bank and our generous employees and customers made a financial contribution to the relief effort, but Lisa made a trip to New Orleans to help out first hand. This brief interview provides a look at Lisa's courage and commitment to helping others. She is an inspiration to all of us!

-Tom McGraw



**Disaster Relief: FNB Board Member Works Hard in Big Easy**

"After Hurricane Katrina struck New Orleans, I was glued to the news. It just drove me crazy. I wanted to do something," said Lisa Angelot, FNB Board member (her grandfather,

Ricco Lagomarsino, was a First National Bank founder). "I've felt that way before, but for whatever reason, this time I had the opportunity to act." She called the Red Cross and went to training in disaster sheltering and feeding (shortened to one day from three because of the urgent situation).

That was about a week after the storm.

**Volunteer**

As far as volunteer work, Lisa has been involved in her children's Pacifica schools, and in a task force that is trying to make the community more aware of the dangers of youth-oriented, binge drinking, called The Partnership for a Safe and Healthy Pacifica-but nothing on the scope of Katrina disaster relief.

The Red Cross never called, but Lisa was determined to

Tom McGraw, CEO



## The Changing Face of Banking

### First in a Series

Because of 9/11 and heightened federal regulations-USA PATRIOT Act, Bank Secrecy, and OFAC- we are required, like all banks, to collect more information from our customers. We know this has created more work for you, and we don't want you to think we're being disrespectful of longtime customers or trying to make life difficult for new ones. So, over the course of the next year, we will include a series of articles in our newsletter to explain what is happening- and why.

Regulatory crackdown, in the wake of 9/11 and the USA PATRIOT Act, requires all financial institutions, such as First National Bank, to "know your customer." We must now act as the first line of defense both to detect and prevent money laundering, which includes screening customers more carefully. Whether it's a big bank that deals with large, foreign transactions or a small, community bank, where the odds of money laundering are very slim, everyone is expected to follow the same rules and do their part.

Unfortunately, the time when things like loans and lines of credit were done on a handshake is part of the past. This is also a symptom of the general tightening up after

help, and another opportunity presented itself through her church, St. Andrew Presbyterian, which circulated a flyer about a group looking for volunteers. She ended up joining 18 people from Lafayette Orinda Presbyterian Church. They left for New Orleans on, Saturday, November 5th, ten weeks after Katrina hit.

### Sea of Blue Tarps

"We arrived at night. Driving in from the airport, we saw areas with no electricity. Huge swaths were completely dark," said Lisa. The 18 volunteers stayed with a Christian group, and the next day, Sunday, they had their first look at devastated New Orleans. "Driving through the city on the freeways, some of which are elevated, you could look out on a sea of blue tarps covering the damaged roofs," she adds. "We went into the French Quarter, and if you didn't know better, you'd think nothing happened. It wasn't flooded, and there wasn't much wind damage. About a third of the businesses and restaurants were open."

### Mud Out

Monday was the first day of work, and Lisa was sent to the Lakeview neighborhood, a middle class area near the 17th Street Canal-one of New



Orleans' many canals, lined with earthen levees to keep the low-lying city from flooding. Heavy rain along with Katrina's storm surge caused Lake Pontchartrain, which borders New Orleans on the north, to swell and back up into the canal. Large sections of its levee washed away, including a 200-foot-long chunk on the east side, and water poured into Lakeview.

"The water had receded, but at one point it was probably ten feet high in that area. Everything was dead, and for block after block of nice one- and two-story houses, you didn't see a person or a dog or a cat. You didn't hear a bird. The only sound was helicopters overhead," said Lisa.

Her job was to go into one of the Lakeview houses and remove all its contents. Called a "mud out," it involves cleaning the contents and muck from the house and putting everything at the curb.

"We had a team of about 25 people. The family wasn't trying to live there...they were just there to let us in, and help sift through their stuff," said Lisa. "You go in and it's

9/11 and a move toward performing more due diligence with our customers. Federal bank examiners scrutinize our loans and deposits more carefully and want to make certain that we know our customers. We believe that we do know our customers well and have for the past 43 years. That said, First National Bank of Northern California will continue to comply with these heightened regulatory requirements. We appreciate your understanding and patience as we do our part to keep our banking system safe.

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been two and a half months, and it's smelly and moldy. Any kind of container that stayed up right during the flood is full of water-like any bowl or vase in the kitchen cabinets.

"We wore masks, gloves, and heavy boots, and we just started pulling everything out to the curb. The people have to take everything out before they can really determine the damage-whether it is a total loss or not," she continued. "Contractors were charging four to five thousand dollars for a mud out. We did two or three houses a day. As word got out, the organization that was doing this work had a couple hundred on a waiting list."

### **Indiscriminate**

Lisa's group also worked in one of New Orleans' poorer neighborhoods, the Ninth Ward, inundated by a breach in the Industrial Canal-and again the story was the same: ruined homes and the only living things, other than Lisa's co-workers, were the cockroaches, flies, and mold.



The waters were indiscriminate, flooding poor and affluent in an area larger than the peninsula from San Francisco to Redwood City-or in the East Bay, from San Pablo to Oakland, from the bay to the East Bay Hills.

### **Police Officers' House**

"We also did the house of a couple that are New Orleans police officers. They have three kids that are scattered across two or three states, with different relatives. The PD is letting them work the same beat...12 -14 hours, 7 days a week. At least they see each other," says Lisa. The couple lives in a small cabin on a cruise ship anchored off New Orleans as temporary housing-tight quarters under any conditions. At this point, they just live day to day.

### **Uplifting**

The most uplifting part of the journey for Lisa was meeting some of the homeowners during the "mud out" process. In spite of losing everything, they were just happy to be alive. And if they did mourn, it was not for lost "stuff," but for a lost lifestyle and a scattered family.

### **We Came Back Different**

After a week of disaster relief work in New Orleans, it took Lisa a while to readjust to life back home. She says, "Everybody came back changed. We talked about what's really important-we have way too much 'stuff' and we need to reduce it. When it comes down to it, if you're up to your neck in water, and you think, 'What do I take?' It's yourself and your kids. "

Lisa's volunteer church group was one of many from all over the country. "We went there

an attitude that this is going to be different than anything we've ever done, and way out of everybody's comfort level. It was amazing how little complaining there was. And the team really pulled together," says Lisa.

In April of 2006, she and her group plan to help an East Bay developer who has bought land in a Mississippi town where many Katrina victims have settled. Along with other church groups, they'll build new homes for the evacuees.

"I see myself going back to the area once or twice a year to help out," said Lisa. "It was very rewarding."

