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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS
EXECUTIVE SECRETARY

SECURITIES DIVISION
(602) 542-4242

July 24, 1990

44-1844(A)(6)

Mr. David M. Schachter, Attorney
Fried, King, Holmes & August
1901 Avenue Of The Stars, 20th Floor
Los Angeles, California 90067-6031

RE: Home Interstate Bancorp - Request for No-Action Position with Regard to Section 44-1844A(6)

Dear Mr. Schachter:

On the basis of the facts set forth in your letter of July 17, 1990, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached photocopies of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

DEE RIDDELL HARRIS
Director of Securities

DRH:wjw

Enclosure

FRIED, KING, HOLMES & AUGUST
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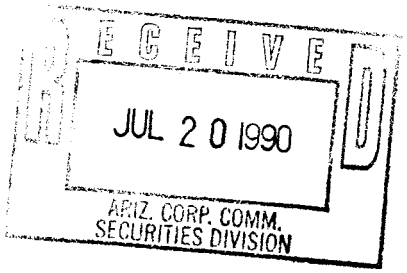
July 17, 1990



VIA FEDERAL EXPRESS

Mr. Dee Harris, Director
Arizona Corporation Commission, Securities Division
1200 West Washington Street, 2nd Floor
Phoenix, Arizona 85007

Re: Home Interstate Bancorp - Request for No-Action Position with Regard to Section 44-1844A(6)

Dear Mr. Harris:

On behalf of Home Interstate Bancorp, a California corporation (the "Bancorp"), we respectfully request your assurance that no action will be taken by the Arizona Corporation Commission Securities Division (the "Division") based upon the fact that the Bancorp will not register its securities under the Securities Act of Arizona in connection with the offer and sale of its securities to residents of the State of Arizona. In lieu of such registration, the Bancorp intends to rely upon the exemption from registration set forth in Section 44-1844A(6) of the Arizona Revised Statutes, as amended (the "Arizona Code"). The following will briefly set forth the background of the proposed transaction.

On June 28, 1990, the Bancorp filed its Consent Statement/Prospectus and a Proxy Statement of The Torrance National Bank, a national banking association ("TTNB"), with the Securities and Exchange Commission (the "SEC") as part of a Registration Statement on Form S-4 (the "Registration Statement"), pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement was filed for the purpose of registering under the Securities Act up to 600,000 shares of the Bancorp's common stock, no par value ("Bancorp Common Stock"), in connection with the acquisition

of TTNB by the Bancorp through a merger (the "Merger") of TTNB with and into Home Bank ("HB"), a California banking corporation and wholly-owned subsidiary of the Bancorp. The parties anticipate that the SEC will declare the Registration Statement effective on or before August 15, 1990. A copy of the Registration Statement is attached as Exhibit A for your convenience.

As a result of the Merger, the Bancorp will, at the option of each of the shareholders of TTNB (subject to certain limitations as described in the Registration Statement), either deliver cash or issue Bancorp Common Stock, or a combination thereof, to each of the shareholders of TTNB (except to shareholders of TTNB who properly exercise their dissenters' rights) in exchange for all of the outstanding shares of TTNB's common stock, $3.00 par value.

Paragraph 6 of Subsection A of Section 44-1844 of the Arizona Code states, in pertinent part, that "[a]ny transaction or series of transactions incident to a statutory...reorganization, merger, [or] triangular merger...incident to a vote by securities holders pursuant to...the applicable corporate statute..." is exempt from the registration requirements under the Arizona Code.

From the standpoint of the Bancorp and HB, the Merger will be effected pursuant to Chapters 11 through 13, Division 1, Title 1 of the California Corporations Code, as amended (the "California Code"), a copy of which is attached hereto as Exhibit B for your convenience. Section 1100 of Chapter 11 of the California Code provides that any two or more corporations may be merged into one of such corporations pursuant to Chapter 11. Other sections of Chapter 11 set forth the requirements with regard to the filing of the agreement of merger with the California Secretary of State. Chapter 12 of the California Code sets forth the requirements which must be met for board and shareholder approval of the Merger. Chapter 13 of the California Code sets forth the requirements which must be met with respect to the rights of shareholders of the Bancorp who dissent from the plan of merger.

From the standpoint of TTNB, the Merger will be effected pursuant to Section 214a of Title 12 of the United States Code (the "Federal Code"), a copy of which is attached hereto as Exhibit C for your convenience. Section 214a

provides that a national banking association may merge with a state bank upon the approval of holders of two-thirds of each class of the national bank's capital stock and provided that certain other conditions (regarding matters such as publication of notice of the shareholders' meeting and provision for dissenting shareholders) are complied with fully.

In addition to the approval of the California Secretary of State, the Bank Merger Act requires that the Merger be approved by the Federal Deposit Insurance Corporation. Furthermore, Section 2070 et seq. of the California Financial Code requires the Merger to be approved by the California State Banking Department.

Based upon the foregoing, we respectfully request your assurance that no action will be taken by the Division with respect to the Bancorp's reliance on the statutory merger exemption set forth in Section 44-1844A(6) of the Arizona Code.

We have enclosed a check in the amount of $200.00 to cover the cost of the filing fee in connection with this no-action request.

As stated above, since the parties to the Merger anticipate that the Registration Statement will be declared effective by the SEC on or before August 15, 1990, we would greatly appreciate your response as soon as possible.

If you have any questions regarding any of the matters set forth herein or require any additional information, please do not hesitate to contact the undersigned at telephone number (213) 551-7423.

Very truly yours,

David M. Schachter
of Fried, King, Holmes & August

138614LT.S21
Enclosures
cc: Terry D. Garcia, Esq.

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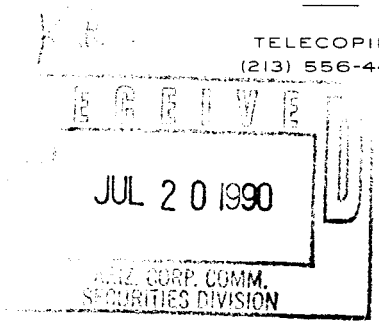
July 19, 1990



VIA FEDERAL EXPRESS

Mr. Dee Harris, Director
Arizona Corporation Commission, Securities Division
1200 West Washington Street, 2nd Floor
Phoenix, Arizona 85007

Re: Home Interstate Bancorp - Request for No-Action Position with Regard to Section 44-1844A(6)

Dear Mr. Harris:

On July 17, 1990, David M. Schachter of this office sent you a Request for No-Action Position with Regard to Section 44-1844A(6) (the "Request"), a copy of which is enclosed for your reference. In that regard, it has come to our attention that Exhibits B and C to the Request were inadvertently not included with the Request. Therefore, pursuant to the instructions of Mr. Schachter, I have enclosed Exhibits B and C to the Request. Also, I have enclosed the Registration Statement on Form S-4, together with exhibits, which is Exhibit A to the Request, to be assured that you now have the full Request package.

Please feel free to contact me or Mr. Schachter should you have any questions.

Very truly yours,

Sheryl L. Kavanagh
Legal Assistant of
Fried, King, Holmes & August

138614LT.V08
Encs.
cc: David M. Schachter