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Exec Capitalizes on Connections to Start Bank

BANKING & FINANCE: OC institution turns into Grandpoint in downtown L.A.

By Richard Clough

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When Don Griffith, a veteran of the local banking scene, set out to start a de novo bank two years ago, he didn't anticipate the near meltdown of the financial services industry.

So after the financial crisis in late 2008 derailed his plans, Griffith took a different tack. He accessed a deep Rolodex developed over decades of banking and raised \$335 million. Rather than try to navigate the increasingly complex regulatory environment to get approval for a new bank, he used some of the money to buy an existing Orange County bank and convert it into a new institution.

"In this environment, I thought it would probably be quicker to buy a little bank," said Griffith, 66, previously chief executive of El Segundo's First Coastal Bank, which was sold in 2007. "Given my background, I was blessed to know a lot of people and the capital was out there for the right story."

He used that bank, Santa Ana Business Bank, which he took control of June 18, as a platform to start his own institution in downtown Los Angeles: Grandpoint Bank, which officially launched last week.

The bank, started with a \$75 million capital commitment, will primarily cater to small businesses and high-net-worth individuals. Santa Ana Business Bank's office, meanwhile, is being converted into a Grandpoint branch. Later this year, a third location is planned for the South Bay.

Grandpoint is Los Angeles County's first new bank since California General Bank, a business bank in Pasadena, opened in March 2009. Unlike Grandpoint, however, California General was started from scratch as a de novo.

Grandpoint President Jan Cloyde said the bank has roughly 40 employees, many of whom were poached from competing banks.

"These are experienced bankers that we've brought on," said Cloyde, a former City National Bank executive who came out of retirement to join Grandpoint.