

## Los Angeles' Grandpoint Makes More Deals

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By [Rachel Witkowski](#)

Grandpoint Capital Inc. struck again this week, announcing two bank deals with Capitol Bancorp Ltd., which brings to four the number of acquisitions Grandpoint has announced in the past two months.

A joint press release from the companies Tuesday said Grandpoint will purchase the \$99.4 million-asset Southern Arizona Community Bank, which has one office, from Capitol. The deal accompanies a purchase-and-assumption agreement in which Grandpoint will assume the main operations of the Bank of Tucson and purchase some of its loans.

The deals give Capitol, based in Lansing, Mich., more than \$11 million in cash proceeds. Late Tuesday, Capitol also announced that an Arizona judge awarded the company nearly \$45 million in compensatory and punitive damages in a lawsuit against a mortgage broker. The court found that the broker knowingly falsified loan documents on 40 residential construction loans made by Capitol's Mesa Bank unit. Last year, that bank was merged into Capitol's Sunrise Bank of Arizona.

In the deals with Capitol, Grandpoint, of Los Angeles, will receive \$270 million in assets from consolidated operations and about an 80% ownership interest in the bank, which will operate as the Bank of Tucson.

The deals are expected to close later this year, subject to regulatory approvals.

"This acquisition is an opportunity to build on a well-established banking platform in a market we believe has tremendous long-term value," Grandpoint's chairman and chief executive, Don M. Griffith, said in a press release.

Grandpoint, the bank holding company of the \$95 million-asset Grandpoint Bank, has been busy making acquisitions since it formed the bank by purchasing the Santa Ana Business Bank in California and infusing it with \$75 million in capital in June. On July 14, Grandpoint said it would acquire the \$336 million-asset First Commerce Bancorp in Encino, Calif.