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Grandpoint To Acquire First Commerce

By Deborah Crowe

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Grandpoint Capital Inc., the Los Angeles parent of the new Grandpoint Bank, late Wednesday said it entered into a definitive agreement with the parent of Encino's First Commerce Bank to merge the two holding companies and the two banks.

Under terms of the agreement, First Commerce Bancorp will merge with Grandpoint Capital, which is based in downtown L.A. First Commerce Bank will merge with Grandpoint Bank and become a wholly owned subsidiary of Grandpoint Capital.

Based on the most recently reported shares outstanding, the deal is worth more than \$42 million. First Commerce shareholders will receive \$4.50 in cash per share, which is 50 percent higher than First Commerce's Wednesday closing price of \$3 on the Over-the-Counter Bulletin Board.

Shareholders also will be entitled to additional considerations based on earnings from operations from April 1 through the closing date, based on the performance of a portfolio of loans for the two-year period following the closing.

Grandpoint Bank launched in June after Grandpoint Capital acquired Santa Ana Business Bank for \$75 million. The bank serves small and mid-sized businesses, professionals and entrepreneurs, and high-net-worth individuals in Los Angeles and Orange counties. First Commerce Bank, which has offices in Encino and Brentwood, was founded in 1984 as Brentwood Square Savings and Loan Association, and changed its name in 1999 as it expanded its market area and scope of business.

First Commerce President Jack Feldman will continue with Grandpoint Bank as vice chairman and executive vice president, Grandpoint said.

"First Commerce is an ideal match for Grandpoint," Grandpoint Capital Chief Executive Don M. Griffith said in a statement. "We share the same culture and commitment to relationship-based service. Our client base is very similar and our locations are complementary."

The deal is expected to close by the year.