

Watsonville's own savings and loan celebrates 70th year

STAFF REPORT

WATSONVILLE — Watsonville Federal Savings and Loan has come a long way.

Seventy years ago, it began as a one-man operation at a desk situated in the rear of a Watsonville insurance office. Today it is a large financial institution with six branches throughout the Monterey Bay and revenues that top the \$330 million mark.

In 1925, it began as the Watsonville Federal Building and Loan Association. The weighty title sat on one desk at the rear of McSherry and Hudson Insurance, which was then located at 9 Third St. (Third Street is now Beach Street.)

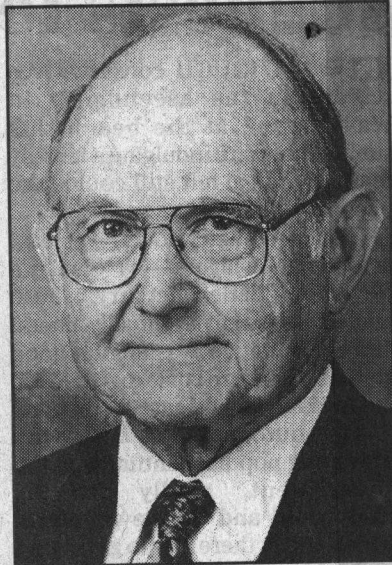
The savings and loan was as a one-man operation until 1935, when the company moved next door into its own office, which provided enough room for two people and a vault.

The founders — leaders in Watsonville — became the original directors of the savings and loan. Among the directors were H.G. Waters, Perry Andrews, R.H. "Bob" Hudson, Fred Hudson, E.W. "Gene" McSherry, Elizabeth Bebrack, Bill Rupert, and Frank Rogers.

On Aug. 18, 1936, the savings and loan changed its name, becoming Watsonville Federal Savings and Loan. In 1947, the association hired its first manager, David Hopkins, a manager at Bank of America, which was then located next door. Hopkins managed the savings and loan until he passed away in 1956.

Ralph Friend succeeded Hopkins in 1956. That year Friend became chairman of the board and chief executive officer. Friend remained at his post until his death in 1967.

A year after Friend's death, his son, Gene, became director. In 1986, Gene Friend was named chairman of the board. He is now chairman of the board and chief



Gene Friend, Watsonville Federal Savings chairman of the board and CEO.

executive officer.

The savings and loan has branches in Watsonville, Salinas, Gilroy, Prunedale and Monterey. In February, it went public.

One of the major reasons for the success of Watsonville Federal Savings and Loan is a management style that is described as "conservative," by president Marshall Delk. "Its quiet but consistent operation has paved the way to prosperity.

"We have been prudently run," Delk said. "We're anything but flashy."

It was the conservative nature of the savings and loan that kept it out of trouble during the 1980s savings and loan scandals.

The savings and loan has been rated as one of the top five mortgage lenders in Santa Cruz and Monterey counties. Last year it lent out \$120 million in mortgages.

In the last five years the savings and loan has only foreclosed on two mortgages, and that's after the 1989 earthquake and the March 11 flood, Delk said.