

Locally owned bank set to open in Santa Cruz County

Branches will be in Watsonville, Santa Cruz

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County residents and businesses will once again have a locally owned, locally headquartered option for their banking needs when Santa Cruz County Bank opens its doors sometime in the next few months.

On Friday, the bank's board of directors — comprised of members of the local business community — announced that it had received approval from the California Department of Financial Institutions to form a new state chartered bank in Santa Cruz County with branches in Santa Cruz and Watsonville.

"Right now, we're really

moving forward with the development of our facilities," said George Gallucci, chairman of the board of directors. "We don't have an exact opening date, but we're hoping that it's within the next six months. Within the next month we should have a much better forecast of when we expect to be open."

Gallucci said plans for the bank — which was founded by two-dozen or so local business people — have been in the pipeline for several years, after a series of mergers and acquisitions transferred ownership of all once locally owned banks to larger companies outside of the county.

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"We currently have no locally owned bank in Santa Cruz County," Gallucci said. "Monterey Bay Bank, which was recently acquired by Union Bank, was the last one. Before that, we saw the acquisition of Coast Commercial Bank by Greater Bay Bank a few years ago, which is really when we saw our opportunity to start something like this. The county has always seemed to embrace locally owned banks."

Gallucci said he believes it's important for the community to have locally owned financial institutions that understand the unique needs and features of Santa Cruz County.

"We also want to support and focus on our smaller local busi-

nesses, which often fall between the cracks at larger major banks," Gallucci said. "Those types of banks have a tendency to take a very cookie-cutter approach to lending and other services, which don't tend to meet the needs of these smaller businesses."

Bank founders and members of the board are expected to invest a total of \$4,325,000 into the project. The bank will also be filing an application for a stock permit to capitalize at \$11,000,000 and \$12,000,000, according to a press release. An offering will be made to the public for the stock not being purchased by the organizing group.

The bank will be a full-service commercial business from day one, William Hansen, vice chairman of the board of directors, said.

"We'll also have premiere online banking and other Internet serv-

es," Hansen added.

The executive officers at the bank's helm — who all have extensive banking experience — will be John Rossell, president and chief executive officer, David Heald, executive vice president and chief credit officer, and Donald Soman, chief financial officer.

Gallucci also stressed that the bank wants to service the particular needs of both the southern and northern parts of the county.

"We hope to do that by having our two offices, one in Watsonville and one in Santa Cruz, as well as by having equal representation on our board and in the organization. We have a mix of people involved from both ends of the county."

The bank has already entered into a lease for a Santa Cruz branch location at 325 Soquel Ave., but has yet to finalize a Watsonville branch.