

## Future of Vineyard Bank office in San Rafael uncertain following ownership change

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The future of the former Vineyard Bank branch office at 1016 Irwin St. in San Rafael is uncertain following Vineyard's closure Friday by the Office of the Comptroller of the Currency and its subsequent acquisition by California Bank & Trust of San Diego.

On Friday night, \$3.4 billion of Vineyard Bank's assets and deposits were sold to San Diego-based California Bank & Trust, a subsidiary of Salt Lake City-based Zions Bancorp. The transaction included \$1.4 billion in loans and \$1.5 billion in deposits.

California Bank & Trust, a subsidiary of Zions Bancorporation, is one of the largest banks headquartered in California, with \$10 billion in assets and 93 branches. Vineyard's former holding company, Vineyard National Bancorp, was based in Corona in Riverside County.

Vineyard Bank's failure is expected to cost the FDIC's Deposit Insurance Fund \$579 million. Vineyard is the 56th FDIC-insured institution in the nation to fail this year and the seventh in California.

Steven Borg, a senior vice president for California Bank & Trust, said his bank likely will decide what it wants to do with the San Rafael branch and the employees who work there within the next 90 days.

"California Bank & Trust doesn't have a physical

presence in Marin although we have a lot of customers in Marin," Borg said, "so it presents an interesting opportunity for us."

Borg said the San Rafael office was managing about \$27 million in loans and has just four employees.

"They don't have teller counters. It's more of a private bank approach. They have a branch manager, an assistant manager, a relationship manager and a customer service manager," Borg said.

Vineyard Bank's federal regulator started seeing major problems in early 2008.

The company was delisted from major stock exchanges in April and is almost one year delinquent on a \$48 million loan from First Tennessee Bank, a subsidiary of First Horizon National Corp., which received \$866 million in TARP money.

Unaudited filings show Vineyard National Bancorp had \$168 million in debt, \$337 million in nonperforming loans and \$3 million in cash as of Dec. 31, the most recent available data.

Seeking to reassure Vineyard depositors, David Blackford, California Bank & Trust's CEO, said, "We want to assure all branch customers that their deposits are safe and fully accessible using their existing account numbers, checks, debit and ATM cards."

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The San Gabriel Valley Tribune and Inland Valley Daily Bulletin contributed to this report. Contact Richard Halstead via e-mail at [rhalstead@marinij.com](mailto:rhalstead@marinij.com)

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