

Riverside County Local News

Comments 2 | Recommend 2

Vineyard and Temecula Valley banks seized

Download story podcast

10:53 PM PDT on Friday, July 17, 2009

By LOU HIRSH
The Press-Enterprise

Two long-struggling Inland banks -- Vineyard National Bank and Temecula Valley Bank -- were seized and closed late Friday by state and federal regulators.

A Federal Deposit Insurance Corporation statement said that effective Monday, Vineyard customers will be clients of California Bank & Trust of San Diego, which has assumed deposits at Vineyard's 16 offices.

Temecula Valley's customers will be clients of First Citizens Bank and Trust Company of Raleigh, N.C., which has assumed deposits at that bank's 11 offices.

Story continues below



Jerry Soifer/Special to The Press-Enterprise
An employee posts a notice Friday evening at the Corona branch of Vineyard Bank that California Bank to let customers know regulators had seized it. Also taken over by regulators on Friday was Temecula Valley Bank.

Authorities said depositor money is insured and not in jeopardy. The FDIC said in statements that depositors can access money by writing checks or using their ATM and debit cards.

Inland Events

EVENTS MOVIES VENUES DINING

Select a tab above to search in that category

Submit an event
Advanced search

Calendar

20 Mon	21 Tue	22 Wed	23 Thu	24 Fri	All Events
-----------	-----------	-----------	-----------	-----------	---------------

- 10 am tomorrow OC Super Fair 2009
- 5 pm tomorrow RAC Milan PeeWee Soccer Program
- 7:30 pm tomorrow Ringling Bros. and Barnum & Bailey...
- 8 pm tomorrow World Football Challenge: Chelsea FC...

Local Business Directory

Search Directory:

Popular Searches

Powered by Local.com

News On Demand RSS MY.Y! E-Mail newsletters Podcast Feeds

Print Email Yahoo! Buzz

Advertisement

Mobile news, boards, & newsletters

- Message boards
- Subscribe to local news e-mail alerts
- Get alerts on your cell phone or wireless device
- News on your cell phone or wireless device

Popular Stories

Most Recommended Most Commented

- Got Ethics?
- Business Scrapbook: Farmers Insurance in Murrieta
- Stricken San Bernardino student on long road to recovery

Sponsored Results

Chapter 7, 11 & 13 Bankruptcy Attorneys
Certified Bankruptcy Law Specialist / Genius Gives Free Consultations.
www.bankruptcypower.com

Bankruptcy Lawyer
Get Facts about Chapter 7 and 13. Call Us for your Free Consultation.
www.doanlawfirm.com

Chapter 7 Lawyer - CA
We Can Make The Creditor Calls Stop. California Call Now For Appt.

The Corona- and Temecula-based banks have both been reeling during the past year from heavy losses tied to delinquent construction loans made to home builders and commercial developers.

At the Temecula Valley headquarters, about 100 people -- bank employees and regulators -- were inside the bank Friday evening. Outside, several were unloading crates of soft drinks and water in preparation for a long weekend.

"No depositor has lost any money," said FDIC ombudsman Glenn Watler. "Let's make that clear."

The FDIC is going to work with employees of the bank over the weekend so they can reopen Monday morning as branches of Citizens Bank and Trust, said Watler, standing outside the Temecula headquarters. He said it should be "a seamless transition."

Janet Scott of Temecula was greeted by the ombudsman as she arrived to use the bank's ATM.

"I'm glad it got purchased by another bank," Scott said. "The FDIC has been very informative. Everything seems to be positive, just under a different name."

"It's sad to see something that you saw born have to go through this transition, but I guess it's just part of the times," she said. Temecula Valley was established in 1996 and has branches in San Diego, Riverside and San Bernardino counties.

A Temecula Valley branch under construction in Murrieta will probably be completed, Watler said, but that decision will be up to the acquiring bank.

At the Vineyard branch office at 200 S. Main St., in Corona, a notice and news release from the federal Office of the Comptroller of the Currency were taped to the glass doors. No one would comment on the closure.

Vineyard's headquarters, at 1260 Corona Pointe Ct., was a hive of activity; regulators and employees could be seen working inside.

An FDIC spokesman who declined to give his name said the federal agency solicited 157 banks to acquire Vineyard and received two bids. Agency workers will have a presence at the office all weekend.

"The good thing about this transaction is it's seamless for almost everybody involved," the spokesman said. "It's certainly seamless for customers."

Michael Natzic, a community banking specialist in the Big Bear Lake office of brokerage firm Stone & Youngberg, said the seizures had become a matter of when -- not if -- since the financial conditions of both banks had been known for several months, with Vineyard in more dire shape for a longer period. But he was surprised that regulators decided to close and transfer both banks, each with more than \$1 billion in assets, on the same evening.

Taking Over

"I would have thought they would only do both on the same day if they had one buyer acquiring both in a package deal -- like what happened when US Bank got PFF and Downey Savings last year," Natzic said.

He said California Bank & Trust is a stalwart of the San Diego area banking scene with a good reputation, and the acquisition of Vineyard will give it its first significant Inland presence. California Bank & Trust has experience in absorbing failed institutions, after its recent acquisition of the failed Alliance Bank in Culver City.

Vineyard, founded in 1981, was closed by the federal Office of the Comptroller of the Currency, and Temecula Valley was shuttered by the California Department of Financial Institutions. Both agencies appointed the FDIC as receiver.

Story continues below

- Postmus revved up to fight supervisors' lawsuit
- Mayor's Walk draws about 25 to Sycamore Canyon Wilderness Park



Terry Pierson/The Press-Enterprise
Temecula Valley Bank as employees wait inside after regulators seized control of the bank Friday. Both Temecula Valley and Vineyard will reopen Monday under new ownership with all deposits guaranteed by the FDIC.

The FDIC started closure and transition proceedings at both banks at the close of business Friday at 6 p.m.

First Citizens and California Bank & Trust were selected by the FDIC to complete the acquisitions through a competitive bidding process.

In a statement, First Citizens said its purchase of Temecula Valley will complement its six offices operated by BancShares' IronStone Bank in San Diego and Orange counties.

In its own statement, California Bank & Trust said its transaction includes \$1.4 billion in loans and \$1.5 billion of deposits of Vineyard, which has offices throughout Riverside, San Bernardino, and Los Angeles counties. The bank will enter into a loss-sharing agreement with the FDIC on loans and real estate.

California Bank & Trust operates 93 branches and seven loan production offices statewide. It is a subsidiary of Utah-based Zions Bancorporation.

The parent firms of both Vineyard and Temecula Valley had received a series of state and federal regulator warnings during the past year, calling on them to boost capital levels and make other operational changes. Both also saw announced investments by outside investor groups fall through, spurring Friday's action by regulators.

Others seized

The two Inland banks were the 56th and 57th in the nation to be seized and closed this year by regulators.

Friday's closures followed the November seizure of Rancho Cucamonga-based PFF Bank & Trust and the January seizure of Redlands-headquartered 1st Centennial Bank. In both cases, no depositor money was lost and services were not interrupted.

Vineyard and Temecula Valley officials could not immediately be reached for comment Friday.

Press-Enterprise reporter Aaron Burgin and free-lance journalist Jerry Soifer contributed to this report.

Reach Lou Hirsh at 951-368-9559 or lhirsh@PE.com.

California Bank & Trust

Offices

San Diego

Established

1998

Assets

\$10 billion

Offices

93 First Citizens Bank & Trust

Offices

Raleigh, N.C.

Established

1898

Assets

\$17.2 billion

Offices

354

MORE INFORMATION

Customers with questions can call 1-800-930-5170 or go to www.fdic.gov. The toll-free number will be operational from 9 a.m. to 6 p.m. Saturday, noon to 6 p.m. Sunday and from 8 a.m. to 8 p.m. after that.

Share Your Thoughts

You must be logged in to contribute. [Log in](#) | [Register Now!](#)

Showing:
Newest first

Comments (2)

pravin404 1 day ago wrote:



This Friday 4 banks were closed by FDIC. So far 57 banks failed in 2009 and 82 since 2008.

<http://portalseven.com/Failed-Banks-2009>

For California, this was the 8th failure this year with total 13 banks fails since 2008. Of this 13 failures , 8 banks were with the assets of more than \$1 billion. 4 medium sized banks with assets between \$100 million and \$1 billion. And only 1 small bank with assets less than \$100 million.

Check all the bank failures in California at http://portalseven.com/finance/Failed_Banks_State_Wise.jsp?state=CA

For Georgia, 1 bank failed this Friday , taking total to 15 since 2008 and 11th bank failure this year. Of this 15 failures, 2 banks were with the assets of more than \$1 billion. 13 medium sized banks with assets between \$100 million and \$1 billion.

Check all the bank failures in Georgia at http://portalseven.com/finance/Failed_Banks_State_Wise.jsp?state=GA

For South Dakota, the failure of Alerus Financial, N.A. was the first one after First Federal Savings Bank of