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Regulators Seize, Sell Temecula Valley Bank

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Temecula Valley Bank's 11 offices opened July 20 under the new ownership of First Citizens Bank, based in Raleigh, N.C. and with \$17.2 billion in assets, following the seizure and subsequent sale of the bank after the close of business July 17.

Regulators from the Federal Deposit Insurance Corp. took over TVB, citing the bank's inadequate capital levels, and immediately transferred ownership of the bank's \$1.5 billion in assets to First Citizens Bank and Trust Co., parent to First Citizens Bank.

TVB had been operating under a cease and desist order from the FDIC and state regulators since February after sustaining heavy losses on its loan portfolio, mostly due to increasing defaults on land development and construction loans.

The bank had been seeking new investors and had lined up a potential group led by Bancroft Capital of Manhattan Beach to invest as much as \$210 million. But the deal fell apart earlier this month, leaving the bank with few options.

First Citizens, which owns Ironstone Bank and its three offices in the county, acquired TVB's total assets in a loss-sharing agreement and some \$1.3 billion in deposits, except for about \$304 million in brokered deposits. The FDIC estimated the transaction will cost the FDIC's insurance fund \$391 million. TVB is the 57th bank failure so far this year.

The FDIC said it sent out bid packages to 175 banks, and obtained two bids for TVB, which classified about 13 percent of its loan portfolio as nonperforming as of March 31.

Another regional bank to fail July 17 was Vineyard Bank, based in Corona with 16 branches and \$1.9 billion in total assets. Following the bank's seizure by the FDIC, it was sold to San Diego-based California Bank & Trust.

CB&T, a unit of Zions Bancorporation of Salt Lake City, did a similar loss-share acquisition in February when it acquired Alliance Bank of Culver City.

With the new branches, CB&T, with more than \$10 billion in total assets, now operates 119 branches in the region, including 24 in San Diego County.

— Mike Allen

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