



# CEOCFO

Interviews & News!

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**Because Southern California is such a huge market, with more entrepreneurial businesses by number than any other market in the country, 1<sup>st</sup> Enterprise Bank will not need to capture a large market share in order to grow and drive revenue**



**John C. Black**  
**Chief Executive Officer and Director**

**K. Brian Horton**  
**President**

**Company Profile:**

1st Enterprise Bank: 1st Enterprise Bank is a full service commercial banking institution, whose highly experienced bankers personally serve Southern California's entrepreneurial businesses. Headquartered in the Los Angeles financial district and founded in 2006, 1st Enterprise Bank offers a full range of credit and depository services, with special emphasis on superior customer service, sophisticated cash management services and direct access to bank decision makers. Customers work directly with their 1st Enterprise Relationship Banker, who understands the unique challenges of their industry and serves as a sounding board and an active participant in their success. For more information on 1st Enterprise Bank please visit our website at [www.1stenterprisebank.com](http://www.1stenterprisebank.com)



## 1ST ENTERPRISE BANK

**Financial**  
**Regional – Pacific Banks**  
**(FENB.OB-OTC: BB)**

**1<sup>st</sup> Enterprise Bank**

**818 W. 7<sup>th</sup> Street**  
**Los Angeles, CA 90017**  
**Phone: 213-430-7000**

### **BIO:**

#### **John C. Black, Chief Executive Officer and Director**

With more than 23 years of business banking experience in Los Angeles and Orange Counties, Mr. Black, 47, has built a reputation among business owners for personal attention, industry-specific experience and innovation. Before the founding of 1<sup>st</sup> Enterprise Bank, Mr. Black served as Division President of Mellon 1<sup>st</sup> Business Bank, where he was responsible for that Bank's Los Angeles Headquarters Commercial Banking Group, Personal Financial Services Group, Specialty Deposit Group, San Fernando Valley Regional Office and West Los Angeles Regional Office.

Mr. Black served in various management positions at Mellon 1<sup>st</sup> Business Bank (previously named 1<sup>st</sup> Business Bank until its acquisition by Pittsburg-based Mellon Financial Corp.) from 1988 through June 2005, acquiring a deep understanding during this time of the unique qualities of Southern California's small- and mid-size businesses.

During his 17 year tenure there, Mr. Black served as Division President, as Executive Vice President/Division Manager, as Regional Vice President for the downtown Los Angeles headquarters office, as Senior Vice President and Group Manager, as Vice President and Group Manager, as Vice President and as an Assistant Vice President. From 2002 to 2005 he also served on the bank's Executive Management Committee, Senior Management Committee and Credit Policy Committee.

Mr. Black began his banking career in 1984 in the Long Beach-Orange County regional office of Bank of America and then with First Interstate Bank's Corporate Banking Group in Long Beach from 1986 to 1988.

### **Personal Perspective:**

"My role at 1<sup>st</sup> Enterprise Bank is the culmination of more than 23 years of working as a business banker right here in Southern California for the kind of entrepreneurs and their industries that make this a great place to live and work," he said recently. "I take their business – *our* business – personally. When they succeed, we *all* succeed, and that's why I helped to found 1<sup>st</sup> Enterprise: to give these business owners the kind of responsive, experienced, and personal banking relationships they deserve."

### **Interview conducted by: Lynn Fosse, Senior Editor CEOCFOinterviews.com**

**CEOCFO:** Mr. Black, what was your vision for the bank and how do you get there?

**Mr. Black:** "The vision for 1<sup>st</sup> Enterprise Bank was to build a locally owned, managed and governed, full-service commercial business bank, designed to meet the needs of the small and mid-sized entrepreneurial firm and their owners and key executives. There have been quite a number of banks formed over the last five years, but if you break them down, very few have the ability to service this market niche the way our team does. Going forward, we plan to continue to build the bank organically and to recruit the most talented people we can. From our headquarters location in downtown LA, we will expand by establishing regional offices. We are already in the process of opening our first regional office in Orange County. We will look at the various commercial submarkets around southern California as we go from there."

**CEOCFO:** What is it about your team and bank that allows you to address the group you are looking to target?

**Mr. Black:** "We have a very unique blend of talent and experience here. We opened the bank in July of 2006, with a

staff of twenty. Eighteen of us had previously worked together for various lengths of time, up to as long as seventeen years. We not only have all spent our entire banking careers handling this market niche, but we have spent most of our careers doing it as a cohesive team at a highly successful previously independent bank. We started out with a strong culture right from day one as opposed to many of the other recently opened banks that have been cobbled together with people from different organizations and in some cases from outside of this geographical market."

**CEOCFO:** Besides the business that you brought with you, how do you attract new customers?

**Mr. Black:** "The best and most effective way is through referrals, and those can be from existing, satisfied customers of the bank or they can be from members of the professional community with whom we network. These are CPAs, attorneys, insurance brokers, consultants etc. They may also come from our board of directors or our founding shareholders. We have 75 "Founders" who put up the initial seed money prior to our stock offering, and we have about 380 shareholders, all of whom are known personally to one of the executive officers of the bank. We meet with these folks regularly, both in large and small groups. Most of our officers also are active in various community organizations and non-profit organizations, which serve to increase our visibility in the business community. Finally, our Relationship Managers are very good at identifying attractive bank customers and initiating the process of soliciting their business."

**CEOCFO:** What is unique about the geographic area you serve and the business people that you are working with?

**Mr. Black:** "The first thing that sets Southern California apart is that the LA and Orange County areas have more entrepreneurial small to mid-sized businesses by number than any other market in the country. This is also a very diverse economy, with very strong trade activity, a surprisingly vigorous manufacturing base, wholesale distribution activity and thousands of professional service firms. It is a very large and very broad business

market. The people that own and run these businesses are typically very hands on and very demanding of “high touch” service. They also typically live in the same areas they do business, and they are very active in their communities. Our customers and prospective customers also tend to be highly successful in their businesses and their industry. We tend to attract business customers that are very well regarded in their industry.”

**CEOCFO:** You do banking with “comfort and ease,” will you explain that for us?

**Mr. Black:** “We bring the bank to you. We are not a bricks and mortar bank in the sense of having a vast branch network. For most of our customers, we provide a daily courier that picks up their deposits, delivers any correspondence from the bank and then rotates everyday bringing them receipts for their deposits and any other information that we are sending them. We are also fully internet functional in terms of providing our banking and cash management services to our customers desktop. They can effectively handle nearly all of their banking through our Business Internet Banking service. However, there is always an experienced banker behind the technology, and you are not placed on hold, given an 800 number or transferred to a service center outside the country when you bank with us. Our customers are personally known to several individuals at the bank, often-times myself, or a senior operations officer. For any significant transactions that are required with regard to financing, cash management or to simply review recent operations, we come to you. We sit in your office or home to discuss how we can help you achieve your goals. We also pride ourselves on being a flat organization, with direct access to every key decision maker. Every customer of our bank is personally known by experienced and capable bankers.”

**CEOCFO:** In this particular banking climate, has it been easier or more difficult to get started as a new bank?

**Mr. Black:** “The real question is, ‘how is the interest rate environment impacting the bank’s performance?’ The answer is this is a much better time to start a new bank than it was five or so years ago when we had Fed Funds down as low as 1%. It is probably not as good a time as when Fed Funds were much higher than today and we had a normal yield curve. Since we are very effective at gathering core deposits, our biggest challenge is finding ways to deploy these funds in a risk adjusted and profitable manner. Economically, this region is very strong and the economy has continued to expand. Companies generally have done very well over the last two to three years and that is

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**- John C. Black**

providing a benefit to us in the sense that as our customers grow, the bank grows along with them.”

**CEOCFO:** Do you see the need to add additional services?

**Mr. Black:** “Yes, we are actually in the process of deploying remote deposit service, which I think is like ATM machines were 25 years ago. Businesses are in the early adoption phase of this service, but once it catches on, the adoption rate is going to get much higher. This service effectively eliminates the need for a courier, allows customers to make their deposits from their own office electronically and is very convenient. In addition, we are constantly upgrading our internet banking capabilities. We are now offering our customers the option of receiving their bank statements on CD ROM, in-

cluding front and back images of all of their checks. We are always looking at the areas of customer service and technology to broaden or improve our services. Further, we have recently established a commercial/industrial real estate construction lending team.”

**CEOCFO:** What do you see two or three years down the line?

**Mr. Black:** “I see 1<sup>st</sup> Enterprise Bank continuing to grow by establishing new relationships with local businesses. I see us becoming recognized as a premier provider of commercial banking services, and a clear alternative to much larger banking companies. Our staff today is 26, but will grow as we identify talented, aggressive, entrepreneurial bankers. We may also look at the possibility of opening a second regional office in one of the local submarkets.”

**CEOCFO:** Why should potential investors consider 1<sup>st</sup> Enterprise Bank?

**Mr. Black:** “First, I think we have a superior team of bankers, with proven track records of building a successful bank. I am extremely proud of the quality and the talent and experience that we have assembled here. Talent tends to attract talent, and success breeds success. I have very high expectations for the scope and the scale and the

size of this organization going forward. We will remain focused on our core competencies and on our market. We will constantly pursue sound growth strategies. I believe that we can compete effectively with any of the major banks. This is a huge market; we do not need to capture a lot of market share to reach our growth targets.”

**CEOCFO:** What should people remember most about 1<sup>st</sup> Enterprise?

**Mr. Black:** “A key strategy from day one with this bank was to simultaneously be in the LA and Orange County markets. Most banks started in LA focus on LA County. Most started in Orange County focus on Orange County. Because Brian Horton, our president, has spent 20 plus years of his career handling business rela-

tionships in the Orange County market, we had a tremendous following from the Orange County area from day one. Half of our 75 Founders are from Orange

County. Half of our shareholder base is in Orange County, and our board of directors is split evenly between Orange County and LA. We have been drawing

customers from both of these markets over the last ten months. This is going to be a key driver in our continued growth.”

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