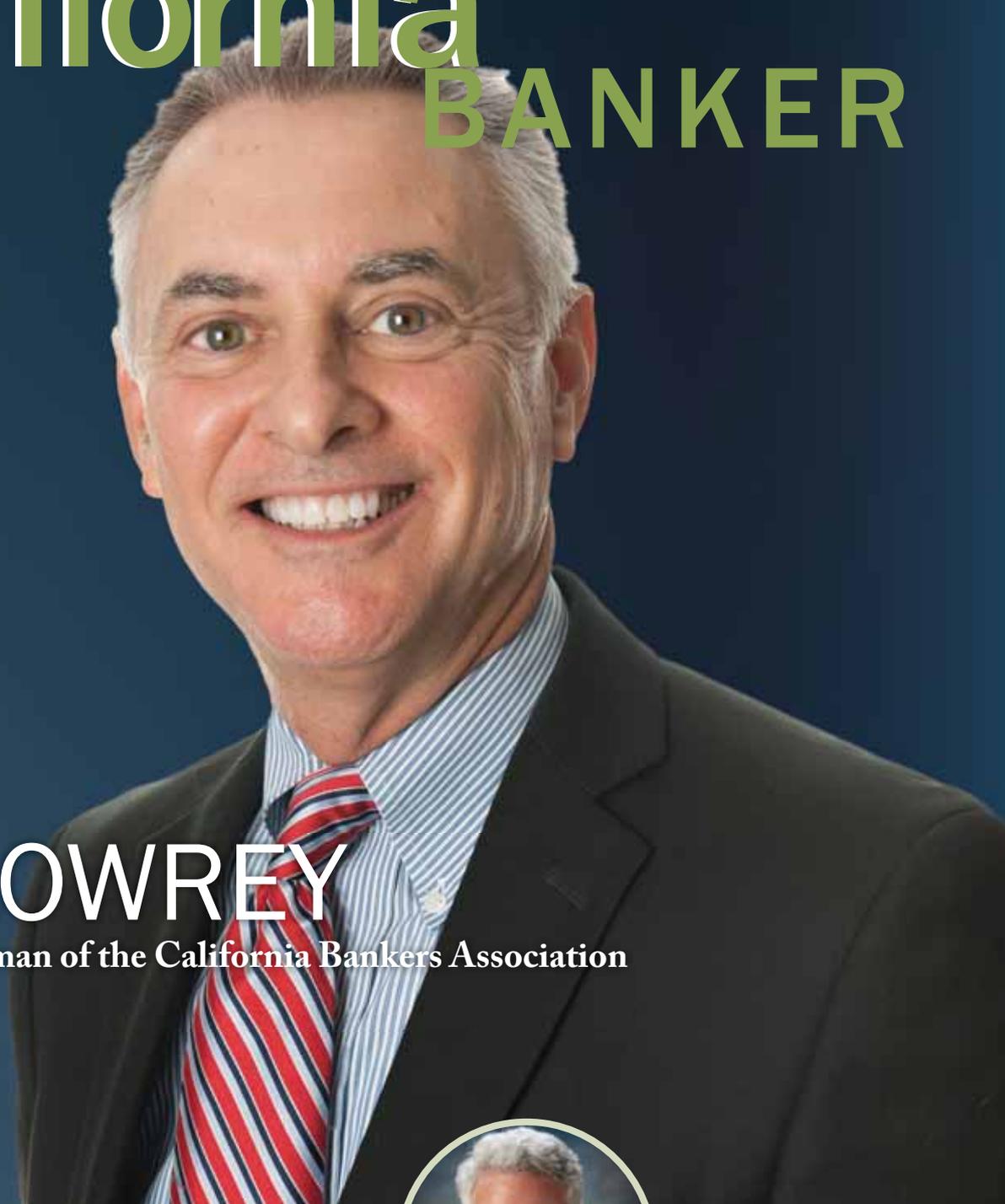


# California BANKER

## TAD LOWREY

2015-2016 Chairman of the California Bankers Association

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Stephen Gordon  
Chairman, CEO, President  
Opus Bank

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**Consequences of Over-Regulation  
Starting to Show**

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# MEMBER Profile

Stephen Gordon is on a mission to help clients succeed.

by **Michael Scheibach,**  
**BankNews Media**

**O**pus Bank, formed in 2010, is on a mission to help entrepreneurs and business leaders realize their visions and achieve success in their respective endeavors. In fact, the bank's very name is derived from the original Latin definition of "opus," which meant "a life's work," although the German heritage of opus, "to honor," is also applicable.

"While a lot of the banking system is focused on cross sale of product," said Stephen Gordon, chairman, CEO and president, "our idea of a cross-sell is 'ideas and solutions.' This has been part of our culture since Day One — our True North. We have not deviated. We support our clients' long-term aspirations for their businesses by bringing all our bankers to the table comprehensively. This is at the core of Opus Bank and has been since our inception."

From an investment banker at Sandler O'Neill + Partners, L.P., to director and president of Gen Fin, Inc., to founding chairman and CEO of Commercial Capital Bancorp, Inc., to chairman of the board of Fremont General Corporation, Gordon brought a wealth of experience and knowledge to his current position, as well as a strong commitment to his clients. But his dedication and commitment don't stop there. He also serves as chairman of the Opus Community



## Stephen Gordon Chairman, CEO and President Opus Bank

Foundation, which focuses in the areas of affordable housing, community development, education, financial literacy, critical health issues and the arts.

Gordon recently shared his thoughts with *California Banker*.

### **What have these past five years been like for the bank?**

At the time Opus was founded, there was a real void in the banking system following the downturn. Opus was launched with an initial capital investment of \$460 million. We grew organically and through acquisitions with an objective to help those entrepreneurs and business leaders who had a vision to expand and grow their business.

It was incredible how quickly the distress worked its way out of the system. Banks woke up. We entered a

period of normalcy where banks were no longer restructuring and cleaning up their balance sheets.

Opus gained traction and we set ourselves apart immediately — growing to a meaningful presence on the West Coast. It was extremely gratifying, and yet there were many days when I felt as though we were accomplishing nothing. Remember that \$5 or \$6 billion in assets is nothing in the scheme of institutions with \$50 billion, \$100 billion or \$1 trillion in assets. After only four and a half years, I find it amazing that of the nation's 6,400 banks, nearly 6,200 are smaller than Opus. It's a real juxtaposition to have accomplished so much and, at the same time, to have only just begun. Every day we try to keep in perspective that we're only beginning and that the best is yet to come.

**Opus Bank emphasizes the importance of high-value, relationship-based solutions. Please describe what this means.**

When we say “relationship-based banking,” it means to us that we conduct ourselves as entrepreneurs, looking at the client as if *we are* that client. Our objective is to get inside the CEO’s mind, understand their vision and help to develop strategies to achieve their vision. We want to help pre-identify any vulnerability, any weakness, any prospective obstacle in their plans. We want to bring the full force of the firm, including our niche healthcare and technology focuses, to the table to not only drive but enhance and accelerate our clients’ vision. That is our biggest innovation.

**The bank now serves Arizona, California, and Washington State and recently acquired two companies. Are there more plans for growth and expansion?**

Today, we’re in greater Phoenix/Scottsdale, Ariz., in all major metros along coastal California, and in the Puget Sound region, including metro Seattle, Bellevue, Everett and Tacoma — and more recently

in Portland, Ore. Recently, we also acquired California’s leading independent commercial escrow company, Commerce Escrow, and 1031 Exchange Accommodator, RPM Investments in Los Angeles. The escrow and 1031 exchange arms of the firm are now driving low- or no-cost DDA balances, as well as recurring fee income. And we will continue to look at acquisitions that synergistically support our clients and enable us to generate exponential returns.

**How is Opus Bank preparing for the future in terms of technology-based services?**

We are acutely aware that the branch isn’t utilized the way it used to be. Foot traffic is down and conversion to mobile is accelerating. There is a significant shift to technology, and that’s driving fewer FTEs in our offices, consolidations, smaller offices, greater use of technology — essentially turning banking offices into sales distribution centers.

We have to ensure that G&A is commensurate with how clients engage with us. Greater numbers of clients are relying on online banking and e-statements; however, we’re still at a hybrid

juncture. Clients who insist on using online banking also want paper statements. The industry is in a transition, and we need to be acutely aware of our clients’ state of mind as we span the technology chasm alongside them.

**What are your goals as a member of the California Bankers Association?**

Relative to my goal, I hope to be at the center of bringing industry leaders together and to promote our correspondent bank as a preferred provider to the industry. I believe it is important for the California Bankers Association to be a galvanizing body to help embolden and strengthen the industry. By working and partnering together, we can accelerate the industry’s collective efforts. The market is complex and dynamic, and it’s essential that the banking industry play a leadership role in the economic growth and vitality of the state.

**When the day is done, what do you and your family do to relax?**

I enjoy being with my family. Our daughters are either in, or graduated from, college. They’re now well past their teenage years and are at the age where they’ve started to like and respect me again! We love to travel, especially with them. **CB**