



Gordon's Opus

From Recapitalization to \$4B in Assets, Eye on More

By MEDIHA DIMARTINO

Stephen Gordon was unabashedly proud of the company he kept at the Business Journal's 13th Annual Excellence in Entrepreneurship Awards.

The chief executive of Irvine-based **Opus Bank** was one of five honorees applauded by a crowd of more than 500 at the March 18 luncheon at Hotel Irvine Jamboree Center (see related stories, pages 1, 6, 8 and 10).

The awards, he said, were "a reflection, in a way, of everyone in that room," as he recalled the event a few days later.

"Because, if there weren't entrepreneurs that had a vision to grow something, then I had no one to back and financially support," Gordon said. "We built a company from scratch and experienced all the same things that all those entrepreneurs in the room all experience."

Launch

Gordon and a team of investors launched Opus Bank in late 2010, when the economy was still reeling from the recession. Bank failures were mounting. Survivors had plenty of bad assets to work out. Lending was scarce.

"As a result of that, the banking industry wasn't leading the economy and wasn't leading any type of economic turnaround, and I felt there was a need for a new bank to exist ... one with a clean balance sheet and a lot of capital and a big vision and to basically lead the charge," Gordon said. "There was a need, there was a significant opportunity, and so we



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did it. It wasn't hard to convince [Opus investors] that the thesis was solid."

Gordon and the group invested \$460 million into Redondo Beach-based **Bay Cities National Bank**, which at the time had five branches and \$273 million in assets.

They renamed it Opus Bank, picking the word for "work" in Latin. Opus also is a term often attached to musical pieces that represent a composer's main achievement. The idea is reflected in the bank's logo, which features a hand holding a conductor's baton.

The bank now has nearly \$4 billion in assets, 60 branches in California, Oregon, Arizona and Washington, employs more than 500 bankers, and has provided more than \$2

billion in capital funding to small and mid-size commercial businesses.

Acquisitions

It acquired Everett, Wash.-based **Cascade Financial Corp.** and its **Cascade Bank** in 2011, followed by an acquisition of Fullerton-based **RMG Capital Corp.** and its savings and loans subsidiary, **Fullerton Community Bank.**

But if you ask Gordon, more could have been done in the relatively short time span.

"We are actually behind ... schedule, which is kind of funny," he said. "My vision is a lot bigger than what we are today. There is an opportunity to build a real banking power-

house here in the western U.S. The void is that significant."

Opus' competitive edge is its "hybrid concept," according to Gordon, which includes "capital and vision to be able to compete," "balance sheet capability," a "management team that is extraordinarily experienced," and a "very keen understanding and obsession with true relationship banking."

Gordon, throughout his 25-year career, has served in many roles in the banking industry.

He started out at a New York investment bank, **Sandler O'Neill & Partners**, in 1988 and moved to California in 1995.

"I married my college sweetheart," he said. "She lived in OC. From New York I was either moving to Greenwich, Connecticut, or to California, and I chose Laguna Beach."

He founded Irvine-based **Commercial Capital Bancorp** in 1998 and led it through its initial public offering in December 2002. It was sold to **Washington Mutual Inc.** for nearly \$1 billion in 2006.

From 2007 to 2010, Gordon served as chairman of the board of **Fremont General Corp.** in Santa Monica.

He said he was playing tennis six days a week before the Opus venture began.

Now that the economy has turned, "everyone has an obligation to do their part to start expanding further and get a little bit more aggressive about it and feel a little more confident in doing so," he said. "We are simply a part of that, the financial solution that enables that to happen, and that excites me." ■



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