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# Daily Bulletin

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By Rebecca U. Cho Staff Writer

Following an economic downturn that took down several Inland Empire financial institutions, survivors are reaping the benefits.

Deposits at community banks are on the rise as they gain customers from nearby banks that have failed, financial observers said. A public discontent with big banking that has grown out of the recession is also fueling new business.

Los Angeles-based 1st Enterprise Bank's base of Inland Empire customers has been growing rapidly since opening an Ontario office last year in September. Deposits jumped 70 percent in the first 11 months of 2010.

Several of the business bank's customers, who are small-business owners, are coming from banks that failed in the recession, said Keith Cerwinski, the bank's regional vice president in the Inland Empire.

"Unfortunately, somewhat of a void was created when we saw some well-known names no longer around in the Inland Empire. That has helped us," Cerwinski said.

With \$500 million in assets, 1st Enterprise was founded in 2006 in Los Angeles and has a third office in Irvine.

Inland Community Bank, based in Ontario, has also seen rises in deposits in the last year, although customers still are struggling to grow their businesses in



Robert Cantero Jr., left, the owner of Robert's Lumber Sales in Fontana, talks to 1st Enterprise Bank Regional Vice President Keith Cerwinski about a loan. Cantero moved to 1st Enterprise after being a Vineyard Bank customer for a decade.

the weak economy, said Jim Cooper, the bank's chief executive and president.

Fueling the growth in deposits, up about 4 percent from the previous year, are customers who have jumped from shuttered banks, he said.

"To take a customer out of a bank who is getting such great service is difficult to do," Cooper said. "That has changed now with so many banks having failed and

other banks taking them over and the rules changing and maybe the relationship not being what it was."

Last year, federal regulators seized Vineyard Bank, which had been based in Rancho Cucamonga, and Temecula Valley Bank in Temecula after both institutions experienced significant losses in real estate loans. PFF Bank and Trust in Pomona and 1st Centennial Bank in Redlands also buckled during the recession. Robert Cantero Jr., an Upland resident and owner of Robert's Lumber Sales in Fontana, said he was with Vineyard Bank for 10 years before its takeover by the government. San Diego-based California Bank and Trust acquired the failed bank, and Cantero stayed on as a customer for about nine months before leaving for 1st Enterprise.

Cantero said he was looking for a building loan to move his business into a new site in Rialto. Rather than being transferred from one department to another, depending on his question, he wanted to speak with one person, he said. He got the loan from 1st Enterprise.

"I'd rather work with a smaller bank. I find the service is much better," Cantero said.

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The discontent and distrust surrounding big banks, arising from the public's perception of big banking's hand in the recession's financial collapse, is also leading to more customers choosing small banks, banking observers said.

Nationally, customer satisfaction with big banks has been on the decline since 2007, according to the American Customer Satisfaction Index. Large lenders in recent months have implemented changes aimed at strengthening their customer relations, such as Citi shutting down its branches on a Saturday in September to train employees on friendlier service.

"There's no question there was an erosion of the reputation of a lot of financial institutions," said Marty Lombardi, president of California Independent Bankers.

"I'm hearing from many of my peers, many folks have opened accounts with them because they were upset with the situation that larger financial institutions have created."

1st Enterprise expects deposits to continue to balloon as small-business customers in the Inland Empire see improvements in the economy, Cerwinski said. Clients in recreational vehicles, health care, and food-related industries are beginning to do well, he said.

"This year, I'm hearing more people saying they're feeling better about their business today," Cerwinski said. "There is a level of optimism out there this year that was not there last year."

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