



## OneCalifornia ▶ In the News

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by Mark Calvey

### ▶ Startup Aims to Serve Unbanked in East Bay

#### **Bank will foster development, teach basics**

When Tom Steyer and Kat Taylor wanted to make a difference in the Bay Area's low-income neighborhoods, they decided to put up \$15 million to start a bank.

As a result, downtown Oakland will soon be home to OneCalifornia Bank, a community development bank that plans to foster economic development and boost financial literacy while providing a broad range of banking services to individual, small business and nonprofit customers.

The husband-and-wife team has deep roots in the financial community. Steyer is a partner and member of the executive committee of San Francisco private equity firm Hellman & Friedman. He is also founder and a senior managing member of Farallon Capital Management, a San Francisco firm that employs 80 people to manage equity capital for institutional investors and wealthy individuals. Taylor has been involved in several nonprofit and philanthropic ventures in the Bay Area. Her grandfather founded Crocker Bank, a major California bank that was acquired by Wells Fargo in 1986.

OneCalifornia Bank plans to open its doors next March in 1,900 square feet of round floor space at 1404 Franklin St. in Oakland. The affiliated OneCalifornia Foundation, which will be supported by the bank's profits, will be located on the sixth floor of the building. The foundation will handle many of the bank's nonprofit initiatives, such as grant-making and boosting financial literacy. Steyer and Taylor will donate all of the non-voting shares in the bank and 49 percent of their voting shares to the foundation.

"We don't want anyone to ever say we're going into poorer communities in California so we can have slightly fancier lobster for dinner," Steyer said.

The bank is filing its application with California banking regulators this week.

#### **Building a team**

OneCalifornia Bank has three senior executives in place so far. Jeffrey Cheung, president and CEO of the proposed bank, has more than 30 years of banking experience, including posts at California Bank & Trust, Union Bank of California and its predecessor, the Bank of California. Charmaine Detweiler will be chief financial officer. She spent 17 years with Citigroup in a variety of positions then became CFO for San Francisco law firm Orrick, Herrington & Sutcliffe. Russell Haycock, the proposed bank's chief credit officer comes from CMG Mortgage Inc., one of the Bay Area's fastest-growing private companies. He began his banking career 37 years ago as a vault teller.

The startup bank's proposed board so far includes Hal Dawson, chairman of IDI Associates, a private Latin American investment bank headquartered in San Francisco. He is a former president and director of Crocker Bank. OneCalifornia bank's board also includes John Delaney, chairman and CEO of commercial lender CapitalSource Inc.; Andrew Fremder, a member of Farallon Capital Management and a director at CapitalSource; Richard Fried, a managing member of Farallon Capital Management and co-head of the firm's real estate group; Harry

Haigood, a private investor who was CEO of the Presidio Trust from 2001 to 2004; and Leon Smith, who is director of corporate risk management for Shorebank Corp., one of the nation's leading community development banks.

OneCalifornia's founders expect to partner with several Bay Area nonprofit organizations, such as Bridge Housing, that have extensive experience in addressing affordable housing, early education and other issues facing low-income communities.

The bank sees the Oakland neighborhoods of West Oakland, San Antonio, Fruitvale and East Oakland as its primary market but considers other low- and moderate-income areas of the Bay Area as its secondary market.

Cheung, whose duties at Cal Bank & Trust included selling cash management services to corporate customers, believes OneCalifornia's small business customers could also benefit from enhanced cash management which might include less expensive alternative to wiring money and more efficient collection of accounts receivables.

"This is a return to old-fashioned banking," Cheung said.

The bank is expected to reach out to the broader community to attract deposits that could be lent in its targeted neighborhoods.

"This is the reverse of Redlining," Taylor said.

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