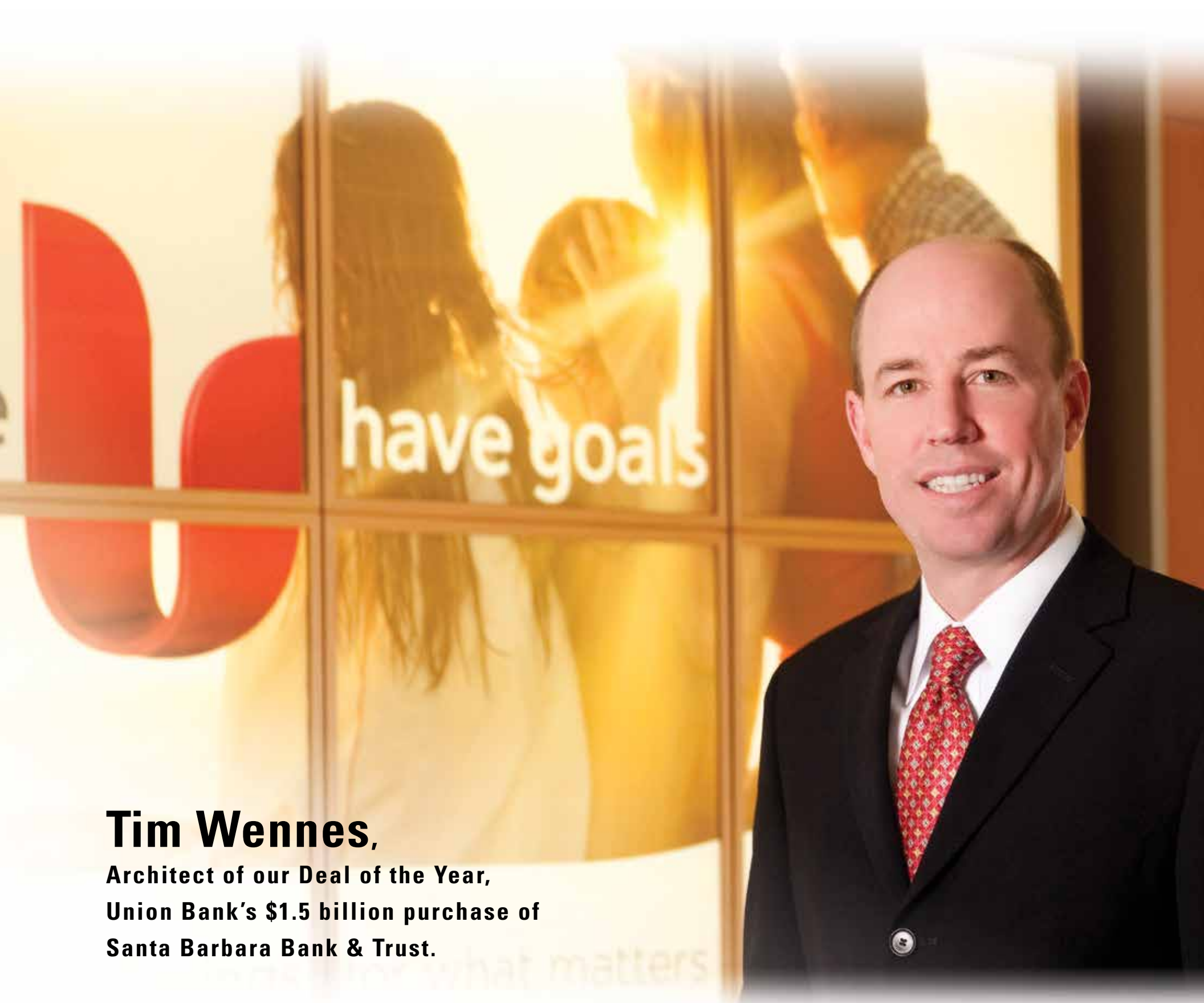


# DEALMAKERS OF THE YEAR

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JAN. 25-31, 2013 VOLUME 13, ISSUE 47



## **Tim Wennes,**

**Architect of our Deal of the Year,  
Union Bank's \$1.5 billion purchase of  
Santa Barbara Bank & Trust.**



# SOLD ON RESULTS



If a picture is worth a thousand words, then what do these say?

We have 40 stories to share with you about how we achieved success for our clients in 2012. Forty total commercial sales along the South Coast last year—more than any other firm. Once again, Radius agents showed how we get it done.

But don't be sold on words alone. Let the Radius Team show you the big picture with bigger results in 2013.





# Deals put momentum behind region's recovery

Dealmaking in the Highway 101 corridor reached a post-recession high in 2012, with banking and technology leading the way.

It was also a record year for a single gift to UC Santa Barbara and a year for landmark deals in commercial real estate.

Our Dealmakers of the Year special report for 2013 names 10 winners in nine categories including banking, venture capital, mergers & acquisitions, corporate finance, health care, philanthropy & higher education, commercial real estate sales and commercial real estate leases. We've also added media & marketing as a new category this year, giving us the opportunity to highlight the sale of a television station and a new nonprofit journalism initiative based out of Santa Barbara.

Our overall winner for 2012 was Union Bank's game-changing acquisition of Santa Barbara Bank & Trust, a \$1.5 billion transaction that set a price record but also put the region's flagship financial institution into the hands of a patient and community-minded owner.

Union Bank Vice Chairman Tim Wennes put together a team that mounted a winning bid for SBB&T and then worked hard to retain top management and mount an effective transition.

Oracle Chairman Jeff Henley, already

a generous donor to his alma mater UC Santa Barbara, made headlines across the nation with his \$50 million gift to the university's flagship engineering and sciences programs. The gift insulates many key UCSB programs from the risks of severe government budget cuts and it marks a crowning achievement for Chancellor Henry Yang, as well as for the Institute for Energy Efficiency.



**HENRY DUBROFF**  
Editor

In medical devices, Sientra, a next-generation company in the breast implant business, raised \$65 million in venture capital as it prepares to compete against giants such as Allergan and Johnson & Johnson.

Santa Barbara-based wireless music equipment maker Sonos raised \$135 million in new capital, marking the biggest corporate finance deal of the year.

In the banking/financial services category, we witnessed an unusual reversal of fortune when American Perspective Bank in San Luis Obispo agreed to a buyout by Umpqua Bank in a deal that was trumped a few months later by a higher bid from Pacific Western Bank. Los Angeles-based PacWest has been making its mark in the Tri-Counties with several bank buys, plus a \$231 million bid for First California Financial Group that's yet to close.

Although this section is intended as

a quantitative look at the largest dollar-value deals throughout the year, we also actively seek nominations from readers and industry experts. The final selection process is guided by a thorough search through our own archives and several independent databases to identify potential deals. We try to be as thorough as possible in selecting transactions for our Dealmakers of the Year.

In picking which transactions to honor in our annual Dealmakers section, we include only deals that closed during calendar year 2012. Our firm belief has been to hold off on deals that were announced but not closed in 2012.

The section was produced by Research Director/Special Reports Editor Dara Barney, and the cover was designed by Advertising Graphic Artist Elizabeth Willhite. The cover photo of Union Bank Vice Chairman Tim Wennes is courtesy of the bank.

Our next special report is Who's Who in Advertising, Marketing & Public Relations, which publishes on Feb. 8, followed by Family Business & Closely-Held Company Awards on Feb. 22.

In the meantime, here's wishing you much success with your dealmaking in the New Year.

• Contact Editor Henry Dubroff at [hdubroff@pacbiztimes.com](mailto:hdubroff@pacbiztimes.com).

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## PACIFIC COAST BUSINESS TIMES

### Call for Nominations

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*Awards reception will be held in April to honor the winners.*

## DEAL OF THE YEAR



Tim Wennes, vice chairman of Union Bank, left, with George Leis, formerly Pacific Capital's president and now the Santa Barbara-based regional executive for Union.

# \$1.5B Union Bank deal breaks regional records

By Henry Dubroff  
Editor

The dealmaker behind the biggest banking transaction in the history of the Tri-Counties strikes a low-key tone when he describes **Union Bank's** \$1.5 billion acquisition of **Santa Barbara Bank & Trust**.

"In 2011, as we saw very positive asset quality trends in our own portfolio and gained confidence in our own position, we felt we could look at strategic acquisitions," said Tim Wennes, vice chairman and chief retail banking officer for San Francisco-based Union. Eventually the equally low-key corporate development team at Union that looks at long-term planning would crunch the numbers and come to see SBB&T as a "a perfect opportunity."

For Union, with assets now approaching \$100 billion, SBB&T and its 47 branches filled what might be called a substantial donut hole in Union's California network. Its decades-old Southern California franchise stretches from Los Angeles to San Diego and has a strong Bay Area presence. But Union received feedback from large corporate loan customers in the Highway 101 corridor from Goleta through Camarillo that without branches, its retail and wealth management units were missing opportunities. "We heard from customers who said, 'we can't give you all of our business,'" Wennes said. He and his team came to see SBB&T as a strategic fit for Union's buy, hold and grow philosophy. "As you look at some of the growth and technology firms, these are vibrant economies that we think, for the long term, are going to be very healthy," Wennes said.

When it closed Dec. 1, Union's landmark deal ended a remarkable, 52-year run for SBB&T, which started with a single branch in downtown Santa Barbara. Over the years, SBB&T embarked on its own bold expansion plans to become the region's banking juggernaut. That strategy faltered badly as out-of-market real estate development loans, a

### UNION BANK

**The deal:** The San Francisco-based lender acquired Santa Barbara Bank & Trust from Pacific Capital for \$1.5 billion.

**Principals:** Union Bank Vice Chairman Tim Wennes and former SBB&T president George Leis, who stayed on to run Union's Central Coast division.

failed technology upgrade and a management structure that was never fully integrated after a series of mergers put the region's biggest bank in peril of failing. A 2010 rescue, in the form of a \$500 million recapitalization by a Texas-based group led by Gerald Ford and Carl Webb, turned the bank around quickly. Within a year, Union was taking notice.

"The strategic rationale had been there," said Wennes, but the rapid progress under Webb and Ford, who turned in \$75 million in profits in their first full year, spoke to both the strength of the region and the value of the franchise. Union itself was in a strong position — at Oct. 31, 2012 it reported a healthy Tier 1 capital ratio of 13.75 percent, rising loans and quarterly net income of \$124 million after a number of one-time charges.

Union made the first approach to the Ford group. After what several participants described as an intense few weeks of negotiating, both sides settled on a price of \$46 per share — more than doubling the value of the Ford group investment. Webb recognized the intrinsic value of the SBB&T operation when he told the Business Times on the day the merger was announced that his advice to Union Bank had been "handle with care."

It was advice that Union and Wennes are well prepared to heed. Wennes himself is a product of the region, having grown up in Thousand Oaks. He attended UC Santa Barbara for two years before transferring to USC, where he got his bachelor's degree.

After 14 years at Wells Fargo, Wennes was named a senior

executive in Countrywide Financial's banking unit. A recognized expert in banking innovation and corporate social responsibility, he joined Union in 2008 and rose quickly.

In the process of integrating the SBB&T operations, Wennes said the first step was making sure that senior management would stay. Keeping former SBB&T President George Leis and his team on board and creating a regional center at the former Santa Barbara headquarters were the first steps.

Despite painful job cuts in back-office operations — the bank laid off 468 SBB&T employees — what Union calls its "customer facing" operations are due for a bit of an expansion. It recently hired Melissa Gough, an experienced wealth management executive for its local private bank unit run by Leo Hammill, another SBB&T senior manager who is staying on with Union.

Wennes doesn't miss a chance to remind a reporter that community outreach is a top priority. "At every opportunity to speak publicly we have reiterated our commitment to community and being the lead community bank. That is a great legacy and we fundamentally believe that's critical," he said.

The SBB&T name will sunset during 2013, but technology upgrades are in the offing along with increased emphasis on small-business lending, mortgage loans and wealth management. The bank also can expand international services to large customers by drawing on the expertise of its parent company, Mitsubishi-UFJ-Financial Group.

With California's donut hole filled in, Union has solidified its West Coast branch structure, but Wennes hints that Union's business development team is still looking at more opportunities. While organic growth in Union's regions is the key, Wennes said it also is looking for opportunities within the Union footprint or adjacent to it.

"We're mindful of being good stewards of this desired local company and we're here for the long term," he said.