

August 2017

# COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER  
FOR REDWOOD CAPITAL BANK

COVER NATURE PHOTOS BY: MICHAEL MCCOY



## Inside This Issue

Friendly Henderson Center	Page 1
Eureka Branch	Page 2
Dennis Wendt	Page 2
Card Security	Page 2
Earnings Release	Page 3
SBA Lending	Page 3
Fortuna Branch	Page 3
Arcata Branch	Page 4
Holidays	Page 4
ATM Information	Page 4
Branch Locations	Page 4
Dividend Update	Page 4
Senior Management & Directors	Page 4

## Friendly Henderson Center

By JOHN DALBY

Redwood Capital Bank is coming to Henderson Center.

Last Fall, the Board of Directors authorized the purchase of the former Roberts Building, located on the corner of Henderson and "F" Streets in Eureka. The vacant building was purchased for the primary purpose of expanding the workspace for our staff. The bank has outgrown the Eureka Main Branch location at 4th and "G" Streets and we are currently leasing office space to house some of our employees.

The Henderson Center location will provide much needed space, as well as provide sufficient room for a second branch location in Eureka. At this point, the timelines remain unclear as we work with our architect on design and the City of Eureka on the permitting process. We hope to open the Henderson Center Branch in the first half of 2018.

These are exciting times for all of us - from bank staff, Senior Management and Board of Directors, to you, our valued



**...We are your friends and neighbors.**

shareholders and customers. Henderson Center, with its vibrant business mix and friendly atmosphere is a perfect fit for Redwood Capital Bank's hometown, community bank model. We look forward to being a positive addition to the neighborhood.

From our humble beginnings of 16 founding employees in 2004, compared to today, with over \$331 million in assets and 64 staff members, Redwood Capital Bank continues to be an economic foundation for Humboldt County. Thank you for continuing to grow and prosper with us. We appreciate you making Redwood Capital Bank your community bank of choice.

John Dalby is the President and CEO of Redwood Capital Bank. He can be reached at (707) 444-9833 or via email at [jdalby@rdwo.com](mailto:jdalby@rdwo.com)





# Eureka

## B R A N C H



Jill and Docia

### Jill Ceffalo and Docia Wheaton Move to New Accounts

Docia Wheaton and Jill Ceffalo have joined Kylie Chase in New Accounts. Prior to working in New Accounts, both Docia and Jill were Customer Service Representatives.

Docia began working at RCB in October, 2015 and has been working in the banking industry since 2004. Jill started working at RCB in March of this year and has also been in the banking field since 2004.

Docia and Jill look forward to assisting you with your financial needs.



### Card Security with SecurLock and Enterprise Alerts

By DAVE TIERNEY

Fraud of all forms is here to stay. Financial institutions of all sizes are continually seeking ways to help minimize that fraud, and Redwood Capital Bank is no exception.

Chip cards, though a step in the right direction, aren't a cure-all for the myriad of ways criminals can compromise your debit or credit card. Chip cards are great at encrypting data for transactions at merchant terminals – provided the terminal supports chip cards (many still don't). Furthermore, the strongest encryption in the world won't stop a criminal who is using your lost or stolen chip card at a point-of-sale terminal, whether that terminal is EMV-compliant or not.

And don't get me started on online transactions.

At Redwood Capital Bank, we are working hard every day to protect you against card fraud. All of our debit and credit cardholders are covered by the SecurLock Communicate system, which allows customers to receive and respond to alerts via text message, e-mail, and telephone

## A Great Loss to our Community

Redwood Capital Bank is deeply saddened by the sudden loss of Dennis Wendt. Dennis was one of Redwood Capital Bank's original founding Organizers and a member of our Advisory Board. His enthusiasm and support for Redwood Capital Bank played a significant role in bringing an independent, community bank back to Humboldt County. His ongoing support of Redwood Capital Bank never wavered.



Dennis Wendt

Dennis was a lifelong resident of Fortuna. He loved his community and was known for his generosity and always being willing to lend a helping hand. Dennis was a regular at youth sporting events and could often be seen taking his crew out to lunch at one of their favorite Fortuna restaurants. He was a generous benefactor to many groups and organizations. Fortuna is a better city because of Dennis and his loss will be felt throughout Humboldt County.

We at Redwood Capital Bank will miss Dennis and are grateful for his friendship. Our heartfelt thoughts and prayers are extended to Dennis' family, friends and to his crew at Wendt Construction.



when a potentially fraudulent transaction takes place. These alerts provide customers an opportunity to minimize fraud at the front-end, rather than trying to clean up the mess after the fact.

In the coming months, our SecurLock solution will be expanded to include SecurLock Equip – a mobile app that allows cardholders to control how, when and where their payment cards are used. If your card is lost or stolen, just pull up the SecurLock Equip app on your mobile device and deactivate the card instantly. If you later find the card, simply return to the SecurLock Equip app and re-activate it.

We are also expanding our transaction alert system with Enterprise Alerts. Currently, online banking customers have a handful of transaction alerts available to help protect them from fraud. Enterprise Alerts will expand those alerts to include many more transaction types, and also make them available to non-online banking users.

Enterprise Alerts and SecurLock Equip will work together to give our customers the information and the power they need to better protect themselves against card fraud. At Redwood Capital Bank, we love doing business with you – securely!

Dave Tierney is the VP/IT Director of Redwood Capital Bank. He can be reached at (707) 444-9848 or via email at [dtierney@rdwo.com](mailto:dtierney@rdwo.com)



## New Kid on the Block

As someone who grew up in the Henderson Center neighborhood of Eureka, I am delighted at the prospect of opening a fourth Redwood Capital Bank branch location in the old Roberts Building. Henderson Center and Redwood Capital Bank have a lot in common. We are both known for our commitment to the community, providing excellent customer service and for being neighborly. Redwood Capital Bank will be a perfect addition to this already strong business district. The Henderson Center expansion and fourth branch will provide additional convenience to our Eureka customers and also allow the bank to expand its footprint and market share.

Thank you to the merchants of Henderson Center for the welcome and enthusiasm we have already received. We look forward to being your neighbor.



## The Benefits of SBA Lending

By JENNIFER BUDWIG

I was recently contacted by the Small Business Administration's (SBA) Assistant District Director for this region who wanted to meet with RCB's commercial lending team because of how active we are with the SBA lending program. Redwood Capital Bank has been honored as the County's SBA 7A leading lender for several years in a row and based on the most recent statistics, it appears we are on track to receive this award again in 2017. Redwood Capital Bank is part of SBA's Preferred Lending Program (PLP) which allows us to process SBA loans in an expedited and streamlined manner. When we receive a commercial loan request, we determine if it meets the bank's standard commercial loan underwriting criteria. If it doesn't for a variety of reasons (i.e., short time in business, insufficient collateral, business acquisition, projection based request, etc.), then we look to the SBA Program as an alternative. The loan is still processed and funded through RCB; however, SBA provides a guarantee so in the event of a default,

they cover a certain percentage of any loss. This allows us to make loans we typically would not be able to do because it reduces our risk accordingly. Although we still have to meet all of the eligibility and documentation requirements of the SBA Program, being a PLP lender provides great benefits. It allows us to provide our customers with a loan that has a low rate and terms that will meet their needs versus having to refer them elsewhere. Participation in this program is one more example of RCB's commitment to taking care of our customers so they can pursue their business plans and accomplish their dreams.

Jennifer Budwig is the SVP/Chief Lending Officer of Redwood Capital Bank. She can be reached at (707) 444-9817, or via email at [jbudwig@rdwo.com](mailto:jbudwig@rdwo.com)



## 2017 Second Quarter Earnings Release

By FRED MOORE



		Period Ended		%
		6/30/17	6/30/2016	Change
Balance Sheet data (at period end)				
(In Thousands)	Total assets	\$331,080	\$323,542	2%
	Total deposits	\$301,454	\$295,653	2%
	Total loans (net)	\$254,054	\$229,108	11%

		Current Quarter		%
		6/30/2017	6/30/16	Change
Summary of Operations				
(In Thousands)	Interest income	\$ 3,236	\$ 3,132	3%
	Net Interest Income	\$ 3,053	\$ 2,930	4%
	Book Value per common share	\$ 12.01	\$ 10.93	10%

Fred Moore is the EVP/Chief Financial Officer of Redwood Capital Bank. He can be reached at (707) 444-9840 or via email at [fmoore@rdwo.com](mailto:fmoore@rdwo.com)

## Fortuna B R A N C H



### Fortuna Rodeo Parade Fun

Redwood Capital Bank celebrated the 96<sup>th</sup> annual Fortuna Rodeo, participating in the Chili Cook-Off and the annual parade. We were thrilled to win the 1<sup>st</sup> Place Commercial trophy for our birthday themed parade float in honor of the Fortuna Branch's 10th anniversary in August.

Thank you to the City of Fortuna and the Fortuna Rodeo Association for a week's worth of fun in the Friendly City!



# Arcata

## B R A N C H



Rhea Varley

### Rhea Varley Moves to New Accounts

Rhea Varley has moved from the Arcata Teller Line as a Customer Service Representative, joining Kaitlyn Poehner in the New Accounts Department.

Rhea began working at RCB in February. She began her banking career in 2016.

Rhea looks forward to the opportunity to work with customers in this new capacity. Stop by and say hi to Rhea in the Arcata Branch New Accounts Department.

### BANK HOLIDAYS/ HOLIDAY HOURS

Monday, September 4:  
Labor Day\*

Monday, October 9:  
Columbus Day\*

Friday, November 10:  
Veteran's Day\*

Thursday, November 23:  
Thanksgiving Day\*

Friday, November 24:  
9:00 a.m.-3:00 p.m.

\* denotes closure

Cover Photos  
Michael McCoy

Bank Exterior Photos  
Gary Todoroff  
[northcoastphotos.com](http://northcoastphotos.com)



## Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared an increase to its 22nd consecutive quarterly cash dividend. The dividend of \$0.065 per share is payable on August 14, 2017 to shareholders of record at the close of business on August 3, 2017. The dividend is equivalent to an annual rate of \$0.26 per share or 1.37%, based upon a market price of \$18.95 per common share.

For more information regarding investing in Redwood Capital Bancorp, please visit our website at [www.redwoodcapitalbank.com](http://www.redwoodcapitalbank.com) and click on Investor Relations. There you can access a list of market makers, as well as local financial advisors who can assist you in acquiring Redwood Capital Bancorp shares. For more information on the quarterly dividend, please contact Fred Moore at (707) 444-9840 or via email at



### Senior Management

John E. Dalby, President & CEO  
Fred J. Moore III, EVP/CFO  
Jennifer Budwig, SVP/CLO  
Tammy Brown, SVP/CCO

### Board of Directors

John J. Gierke Jr., Chairman  
J. William McAuley, Vice Chairman  
Russell N. Britt  
John E. Dalby  
Larry A. DeBeni  
W. Timothy Needham  
Craig L. Perrone  
James R. Seiler  
John R. Selvage  
Steven M. Strombeck



EUREKA BRANCH  
402 G Street  
Eureka, California 95501  
(707) 444-9800



FORTUNA BRANCH  
1075 S. Fortuna Blvd., Ste. A  
Fortuna, California 95540  
(707) 725-4722



ARCATA BRANCH  
1315 G Street  
Arcata, California 95521  
(707) 826-0878



If you have ever used another financial institution's ATM to withdraw money from your account, chances are you paid a surcharge fee. We know these surcharges can add up, and that is why we joined an ATM network called the SUM Switch. It eliminates surcharges normally incurred when you use another institution's ATM\*.



Now you can use hundreds of ATMs without paying costly surcharge fees. Just look for the SUM Switch logo when you are using another financial institution's ATM and you will know that you can receive money from your own account without extra fees\*.

\* Foreign ATM usage fee might still apply depending on your account type.



**Redwood  
Capital Bank**  
*Our interest is YOU*

[redwoodcapitalbank.com](http://redwoodcapitalbank.com)  
HOURS OF OPERATION  
Monday - Thursday: 9:00 a.m. - 5:00 p.m.  
Friday: 9:00 a.m. - 6:00 p.m.

MEMBER FDIC

