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BEST PLACES TO WORK



Northwestern Mutual Orange County employees at philanthropy event for the Juvenile Diabetes Research Foundation

Financial Services Firm Leverages ‘Past, Present and Potential’ of Employees

into our DNA.” Mackey said

sional career at the company first in



Beach Cities' HQ at Innovation Office Park in Irvine

Beach Cities Bank Opens in Irvine

FINANCE: Raises \$26M
to service small businesses

■ By PETER J. BRENNAN

Irvine-based **Beach Cities Commercial Bank** is open for business, some 25 months after filing its paperwork with regulatory authorities, disclosing plans to start operations.

“It was a challenge,” President **Jeff Redeker** told the Business Journal.

“The biggest issue was raising capital. We had to explain why a new bank is a good risk in this envi-

➔ *Beach Cities 70*

Beach Cities

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ronment.

“Silicon Valley Bank certainly added to the angst.”

Beach Cities Bank, which is based at the new **Innovation Office Park** campus in the Irvine Spectrum, is the third bank to open in Orange County in the past two years. It joins Newport Beach-based **Genesis Bank**, which was begun by banking entrepreneur **Stephen Gordon** in 2021, and **Bank Irvine**, which was begun last November by a group of mainland Chinese immigrants, including **Charlie Zhang**, founder of the **Pick Up Stix** restaurant chain.

Beach Cities’ Chief Executive **H. Kent Falk**, who has worked in Orange County banking circles for 50 years, praised the bank’s directors and executive team, which includes some who began San Juan Capistrano-based Capital Bank in 2008.

“We have the best of class in our board of directors and executive officers along with a seasoned staff,” Falk said in a statement.

“The bank has been formed with nearly everyone having worked together in the past. We all know each other’s banking experience and are very comfortable supporting each other.”

Medical Ties

The bank received approval to commence business, effective June 12, by the **Federal Deposit Insurance Corporation**, which is providing deposit insurance, and the **California Department of Financial Protection and Innovation (DFPI)**, the state’s banking regulator.

Redeker, who has been in OC banking circles for almost 30 years, also helped start



Jeff Redeker
President
Beach Cities
Commercial Bank



H. Kent Falk
CEO
Beach Cities
Commercial Bank

Capital Bank.

“We started that bank in 2008 – you want to talk [about] a difficult time,” he said.

“I believe this is a good time to start a bank. If you start a bank during good economic times, spreads are compressed.

“Right now, you have a lot of banks not doing any lending. We have a clean balance sheet and no portfolio issues.”

Beach Cities raised more than \$26 million, exceeding the \$25 million required by regulators.

“When Silicon Valley Bank went down, we were at the end of our raise, and we had to go back and explain why our business model was sound,” Redeker said.

The Edges

Beach Cities’ edge includes being a “tech-oriented” bank, Redeker said.

Its software is provided by **Q2 Holdings Inc.**, an Austin, Texas-based firm that services banks, credit unions and fintech companies (NYSE: Q2WO).

“They have all the different bells and whistles. We went all in,” Redeker said. “Small banks that have gone cheap on their technology will have to boost their spending on tech-

nology or be a target for an acquisition.”

Besides its office in Irvine, Beach Cities also has a second office in Encinitas, where some members of its management team live nearby.

“The future is not to build out branches but spend money on technology. We want a light footprint.” It’s focused on lending for equipment, commercial real estate, SBA and a variety of commercial and industrial lines. The bank won’t be providing residential mortgages nor home lines of credit.

It aims to service closely held companies with up to \$50 million in annual sales in the industries of healthcare, manufacturing, distribution, light assembly as well as professionals such as accountants and lawyers.

Another expected edge is providing small business owners with access to the top bank management.

“If they need to talk to the decision maker, they can,” he said.

Local Ties

Beach Cities has extensive ties to Orange County’s medical industries.

One director is Dr. **James Heinrich**, founder and member of the board of directors of Capital Bank, which was acquired in 2017 by Seacoast Commerce Bank. In 1999, Hein-

Beach Cities Commercial Bank 


- **BUSINESS:** banking
- **CEO:** H. Kent Falk
- **PRESIDENT:** Jeff Redeker
- **HEADQUARTERS:** Irvine
- **NOTABLE:** gets go-ahead to open doors June 12 after raising \$26M

rich founded **Pacific Coast Cosmetic & Laser Medical Center** in Mission Viejo.

Another director expected to bring in doctors as investors and clients is Dr. **Mark Burkhardt**, an anesthesiologist who since 2017 has served as CEO of **Mission Viejo Anesthesia Consultants**.

The bank also has ties to the OC legal industry. Director **Angela Bienert**, who has over 31 years of banking experience, is married to **Thomas Bienert Jr.**, who was the past president of the Orange County Bar Association where she was involved as well, according to a bank filing.

Its management team includes Chief Operating Officer **Nasrin Rostami**, Chief Financial Officer **Najam Saiduddin** and Chief Credit Officer **Joe Simmons**. ■



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