

First California Financial Group, Inc.

Form S-1

July 27, 2009

Table of Contents

As filed with the Securities and Exchange Commission on July 27, 2009

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

FIRST CALIFORNIA FINANCIAL GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of

6022
(Primary Standard Industrial

38-3737811
(I.R.S. Employer

Edgar Filing: First California Financial Group, Inc. - Form S-1

incorporation or organization)

Classification Code Number)
3027 Townsgate Road, Suite 300

Identification No.)

Westlake Village, California 91361

(805) 322-9655

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Romolo Santarosa

Chief Financial Officer

First California Financial Group, Inc.

3027 Townsgate Road, Suite 300

Westlake Village, California 91361

(805) 322-9655

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Gregg A. Noel, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

300 South Grand Avenue

Los Angeles, California 90071

(213) 687-5000

(213) 687-5600 Facsimile

Patrick S. Brown, Esq.

Sullivan & Cromwell LLP

1888 Century Park East

Los Angeles, California 90067-1725

(310) 712-6600

(310) 712-8800 Facsimile

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Edgar Filing: First California Financial Group, Inc. - Form S-1

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer " Accelerated filer " Non-accelerated filer " Smaller reporting company x
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Common Stock, par value \$0.01 per share	\$34,500,000	\$1,926

(1) Includes offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

(2) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

SUBJECT TO COMPLETION, DATED JULY 27, 2009

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Shares

Common Stock

We are offering _____ shares of our common stock, par value \$0.01 per share. Our common stock is traded on the NASDAQ Global Market under the symbol FCAL. On July 24, 2009, the last reported sale price of our common stock on the NASDAQ Global Market was \$5.91 per share.

These shares of common stock are not savings accounts, deposits, or other obligations of our bank subsidiary or any of our non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in our common stock involves risks. See Risk Factors beginning on page 5 to read about factors you should consider before buying our common stock.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to First California Financial Group, Inc. (before expenses)	\$	\$

Edgar Filing: First California Financial Group, Inc. - Form S-1

The underwriters also may purchase up to an additional _____ shares of our common stock within 30 days of the date of this prospectus to cover over-allotments, if any.

The underwriters expect to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about _____, 2009.

Keefe, Bruyette & Woods

The date of this prospectus is _____, 2009.

Table of Contents

TABLE OF CONTENTS

	Page
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	i
<u>ABOUT THIS PROSPECTUS</u>	iii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>PROSPECTUS SUMMARY</u>	1
<u>SUMMARY CONSOLIDATED FINANCIAL INFORMATION</u>	3
<u>RISK FACTORS</u>	5
<u>USE OF PROCEEDS</u>	15
<u>CAPITALIZATION</u>	16
<u>PRICE RANGE OF COMMON STOCK</u>	17
<u>DIVIDEND POLICY</u>	17
<u>DESCRIPTION OF CAPITAL STOCK</u>	18
<u>UNDERWRITING</u>	28
<u>LEGAL MATTERS</u>	30
<u>EXPERTS</u>	30

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain certain forward-looking statements about the financial condition, results of operations and business of the Company. These statements may include statements regarding the projected performance of the Company for the period following the completion of the offering. You can find many of these statements by looking for words such as believes, expects, anticipates, estimates, intends, will, plans or similar words or expressions. These forward-looking statements involve substantial risks and uncertainties. Some of the factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following possibilities:

revenues are lower than expected;

credit quality deterioration which could cause an increase in the provision for credit losses;

competitive pressure among depository institutions increases significantly;

changes in consumer spending, borrowings and savings habits;

our ability to successfully integrate acquired entities or to achieve expected synergies and operating efficiencies within expected time-frames or at all;

technological changes;

the cost of additional capital is more than expected;

a change in the interest rate environment reduces interest margins;

asset/liability repricing risks and liquidity risks;

general economic conditions, particularly those affecting real estate values, either nationally or in the market areas in which we do or anticipate doing business, are less favorable than expected;

a slowdown in construction activity;

the effects of and changes in monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;

recent volatility in the credit or equity markets and its effect on the general economy;

Edgar Filing: First California Financial Group, Inc. - Form S-1

demand for the products or services of First California and the Bank, as well as their ability to attract and retain qualified people;

the costs and effects of legal, accounting and regulatory developments; and

regulatory approvals for acquisitions cannot be obtained on the terms expected or on the anticipated schedule.

Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this prospectus.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and stockholder values of the Company following the offering may differ materially from those expressed in these forward-looking statements.

Many of the factors that will determine these results and values are beyond our ability to control or predict. Accordingly, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Table of Contents

We urge investors to review carefully the section of this prospectus entitled "Risk Factors" in evaluating the forward-looking statements contained in this prospectus. Forward-looking statements speak only as of the date on which such statements were made. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

Table of Contents

ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the documents incorporated by reference is accurate only as of their respective dates. First California Financial Group, Inc.'s business, financial condition, results of operations and prospects may have changed since such dates.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to First California Financial Group, Inc.,

First California, the Company, we, us, our, or similar references, mean First California Financial Group, Inc. References to First California or the Bank mean our wholly owned banking subsidiary. References to the mergers mean the merger of National Mercantile Bancorp with and into First California and the merger of FCB Bancorp with and into First California, collectively.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The internet address of the SEC's website is www.sec.gov. Such reports and other information concerning First California can also be inspected at the offices of First California at 3027 Townsgate Road, Suite 300, Westlake Village, California 91361 and can also be retrieved by accessing our website (www.fcalgroup.com). Information on our website is not part of this prospectus.

This prospectus, which is a part of a registration statement on Form S-1 that we have filed with the SEC under the Securities Act of 1933, as amended, or the Securities Act, omits certain information set forth in the registration statement. Accordingly, for further information, you should refer to the registration statement and its exhibits on file with the SEC. Furthermore, statements contained in this prospectus concerning any document filed as an exhibit are not necessarily complete and, in each instance, we refer you to the copy of such document filed as an exhibit to the registration statement.

The SEC allows us to incorporate by reference information we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, except to the extent that any information contained in such filings is deemed furnished in accordance with SEC rules:

Our Annual Report on Form 10-K for the year ended December 31, 2008;

Our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 30, 2009;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009; and

Our Current Reports on Form 8-K filed with the SEC on January 28, 2009, May 20, 2009, May 29, 2009 and June 17, 2009.

Table of Contents

We will provide each person to whom this prospectus is delivered, including any beneficial owner of our shares, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus, upon written or oral request at no cost, by writing or telephoning us at the address set forth below.

First California Financial Group, Inc.

Attention: Corporate Secretary

3027 Townsgate Road, Suite 300

Westlake Village, California 91361

(805) 322-9655

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus and may not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in the common stock. You should pay special attention to the Risk Factors section of this prospectus to determine whether an investment in the common stock is appropriate for you.

About First California Financial Group, Inc.

First California is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. First California's primary function is to coordinate the general policies and activities of its bank subsidiary, First California Bank, as well as to consider from time to time other legally available investment opportunities.

First California was incorporated under the laws of the State of Delaware on June 7, 2006. The Company was formed as a wholly owned subsidiary of National Mercantile Bancorp, a California corporation, or National Mercantile, for the purposes of facilitating the merger of National Mercantile and FCB Bancorp, a California corporation, or FCB. On March 12, 2007, National Mercantile merged with and into First California, and immediately thereafter, FCB merged with and into First California. As a result of the mergers, the separate corporate existence of National Mercantile and FCB ceased, and First California succeeded, and assumed all the rights and obligations of, National Mercantile, whose principal assets were the capital stock of two bank subsidiaries, Mercantile National Bank and South Bay Bank, N.A., and the rights and obligations of FCB, whose principal assets were the capital stock of First California Bank. On June 18, 2007, First California integrated its bank subsidiaries into First California Bank.

First California Bank is a full-service commercial bank headquartered in Westlake Village, California. First California Bank is chartered under the laws of the State of California and is subject to supervision by the California Commissioner of Financial Institutions. The Federal Deposit Insurance Corporation, or FDIC, insures its deposits up to the maximum legal limit.

At March 31, 2009, we had total consolidated assets of \$1.5 billion, loans of \$886.4 million, deposits of \$1.1 billion, and shareholders' equity of \$158.2 million.

Our common stock is traded on the NASDAQ Global Market under the ticker symbol FCAL. Our principal executive offices are located at 3027 Townsgate Road, Suite 300, Westlake Village, California 91361. Our telephone number is (805) 322-9655.

Risk Factors

An investment in our common stock involves certain risks. You should carefully consider the risks described under Risk Factors beginning on page 5 of this prospectus, as well as other information included or incorporated by reference into this prospectus, including our financial statements and the notes thereto, before making an investment decision.

Table of Contents

The Offering

The following summary of the offering contains basic information about the offering and the common stock and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the common stock, please refer to the section of this prospectus entitled Description of Capital Stock.

Issuer	First California Financial Group, Inc.
Common stock offered	shares of common stock, par value \$0.01 per share.
Over-allotment option	We have granted the underwriters an option to purchase up to an additional shares of common stock within 30 days of the date of this prospectus in order to cover over-allotments, if any.
Common stock outstanding after this offering	shares of common stock.(1)(2)
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes, and we may contribute some portion of the net proceeds to the capital of the Bank, which would use such amount for its general corporate purposes.
Market and trading symbol for the common stock	Our common stock is listed and traded on the NASDAQ Global Market under the symbol FCAL.

- (1) The number of shares of common stock outstanding immediately after the closing of this offering is based on 11,633,289 shares of common stock outstanding as of June 26, 2009.
- (2) Unless otherwise indicated, the number of shares of common stock presented in this prospectus excludes shares issuable pursuant to the exercise of the underwriters' over-allotment option, 1,298,825 shares of common stock issuable under our stock compensation plans, 599,042 shares of common stock issuable upon the exercise of the warrant held by the U.S. Treasury and 291,638 shares of common stock issuable upon the conversion of the Series A Preferred Stock.

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The following tables set forth our consolidated statement of operations data for the three months ended March 31, 2009 and 2008 and for the years ended December 31, 2008 and 2007 and our consolidated balance sheet and other data as of March 31, 2009 and as of December 31, 2008 and 2007.

The summary consolidated statement of operations data for the years ended December 31, 2008 and 2007, and the summary consolidated balance sheet data as of December 31, 2008 and 2007, have been derived from our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is incorporated by reference in this prospectus.

The summary consolidated statement of operations data for the three months ended March 31, 2009 and 2008, and the summary consolidated balance sheet data as of March 31, 2009, have been derived from our unaudited condensed consolidated financial statements contained in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009, which is incorporated by reference in this prospectus. In the opinion of management, the unaudited condensed consolidated financial information for the interim periods presented include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information set forth therein. Historical results are not necessarily indicative of future results and the interim results are not necessarily indicative of our expected results for the full fiscal year.

You should read the following summary financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the related notes contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, which are incorporated by reference in this prospectus.

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2009	2008	2008	2007
	(Unaudited)			
	(Amounts and numbers in thousands except share and per share amounts)			
Statement of Operations Data:				
Interest Income	\$ 16,079	\$ 16,905	\$ 63,235	\$ 65,750
Interest Expense	5,409	6,642	22,453	25,506
Net Interest Income	10,670	10,263	40,782	40,244
Provision for Loan Losses	5,069	450	1,150	
Non-interest Income	1,915	2,158	5,381	8,047
Non-interest Expenses	10,777	8,375	35,105	37,045
Income (Loss) Before Provision for Income Taxes	(3,261)	3,596	9,908	11,246
Provision (Benefit) for Income Taxes	(1,383)	1,407	3,542	4,158
Net Income (Loss)	\$ (1,878)	\$ 2,189	\$ 6,366	\$ 7,088
Less Preferred Stock Dividend Declared	(194)			
Net Income (Loss) Available to Common Shareholders	\$ (2,072)	\$ 2,189	\$ 6,366	\$ 7,088
Basic Earnings (Loss) Per Common Share	\$ (0.18)	\$ 0.19	\$ 0.56	\$ 0.68
Diluted Earnings (Loss) Per Common Share	\$ (0.18)	\$ 0.19	\$ 0.54	\$ 0.66
Weighted Average Common Shares				
Basic	11,527,628	11,484,749	11,457,231	10,467,619
Diluted	11,527,628	11,757,532	11,844,049	10,731,694

Table of Contents

	As of March 31, 2009 (Unaudited)	As of December 31, 2008 2007	
(Amounts and numbers in thousands except ratios)			
Balance Sheet Data:			
Total Assets	\$ 1,458,841	\$ 1,178,045	\$ 1,108,842
Securities Available-for-Sale, at Fair Value	271,743	202,462	231,095
Loans Held-for-Sale	31,309	31,401	11,454
Loans, Net	886,448	780,373	738,351
Total Deposits	1,103,578	817,595	761,080
Federal Home Loan Bank Advances	117,500	122,000	123,901
Junior Subordinated Debentures	26,713	26,701	26,648
Total Shareholders' Equity	158,181	158,923	136,867
Equity-to-Assets Ratio(1)	10.84%	13.49%	12.34%
Financial Performance:			
Net Income (Loss) to Beginning Equity	(1.18)%	4.65%	15.73%
Net Income (Loss) to Average Equity (ROAE)	(4.76)%	4.59%	6.98%
Net Income (Loss) to Average Assets (ROAA)	(0.55)%	0.56%	0.75%
Net Interest Margin (TE)(2)	3.60%	4.08%	4.64%
Efficiency Ratio(3)	87.30%	73.45%	63.18%
Credit Quality:			
Allowance for Loan Losses	\$ 11,275	\$ 8,048	\$ 7,828
Allowance/Total Loans	1.26%	1.02%	1.05%
Total Non-Accrual Loans	\$ 8,380	\$ 8,475	\$ 5,720
Non-Accrual Loans/Average Loans	0.96%	1.08%	0.84%
Net Charge-offs	\$ 1,842	\$ 930	\$ 466
Net Charge-offs/Average Loans	0.84%	0.12%	0.07%
Regulatory Capital Ratios			
For the Company:			
Total Capital to Risk Weighted Assets	12.73%	16.62%	13.35%
Tier 1 Capital to Risk Weighted Assets	11.64%	15.70%	12.43%
Tier 1 Capital to Average Assets	9.29%	12.77%	10.42%
For the Bank:			
Total Capital to Risk Weighted Assets	11.56%	12.27%	11.98%
Tier 1 Capital to Risk Weighted Assets	10.47%	11.35%	11.05%
Tier 1 Capital to Average Assets	8.36%	9.26%	9.24%

(1) Total shareholders' equity divided by total assets.

(2) Net interest income (TE) divided by total average earning assets.

(3) Non-interest expense, excluding amortization of intangibles, divided by the sum of net interest income