BANC OF CALIFORNIA, INC.
Form 424B5
April 02, 2015
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-192518

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 12, 2014)

$175,000,000

5.25% Senior Notes Due April 15, 2025

We are offering $175,000,000 aggregate principal amount of 5.25% Senior Notes due April 15, 2025, referred to herein as the notes. The notes will mature on April 15, 2025, unless redeemed at our option prior to such date. Interest on the notes will be payable semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2015. The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes will be unsecured and unsubordinated obligations of ours and will rank equally in right of payment with all of our other existing and future unsubordinated indebtedness, including our 7.50% Senior Notes due April 15, 2020, and our obligations under the Credit Agreement (as defined herein), and senior in right of payment to any of our existing or future obligations that are by their terms expressly subordinated or junior in right of payment to the notes.

We may, at our option, on or after January 15, 2025 (90 days prior to the maturity date of the notes), redeem the notes in whole at any time or in part from time to time, as described in Description of Notes Optional Redemption. There is no sinking fund for the notes. We may from time to time purchase the notes in the open market or otherwise.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system.

For a discussion of certain risks that you should consider in connection with an investment in the notes, see Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, and all subsequent

filings under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, as well as the additional risk factors contained in this prospectus supplement beginning on page S-11 and the accompanying prospectus.

	Public Offering Price[1]	Underwriting Discounts	Proceeds to Banc of California[2]
Per note	99.75%	1.00%	98.75%
Total	$ 174,562,500	$ 1,750,000	$ 172,812,500

(1) Plus accrued interest, if any, from the date of original issuance, which is expected to be April 6, 2015.
(2) Before deducting expenses of the offering.
Concurrently with this offering, we are offering 4,000,000 depositary shares (or 4,600,000 depositary shares if the underwriters of that offering exercise their over-allotment option in full) each representing a 1/40th ownership interest in a share of 7.375% Non-Cumulative Perpetual Preferred Stock, Series D (the **Series D Preferred Stock**), $0.01 par value, with a liquidation preference of $1,000 per share (equivalent to $25 per depositary share), referred to herein as the Preferred Stock Offering. The Series D Preferred Stock is being offered by means of a separate prospectus supplement. Neither of the offerings is conditioned upon the consummation of the other offering. See Prospectus Supplement Summary Concurrent Offering on page S-6 of this prospectus supplement.

The notes are not deposits or other obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation, referred to herein as the FDIC, or any other government agency.

Neither the Securities and Exchange Commission, referred to herein as the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

It is expected that delivery of the notes in book-entry form only will be made through the facilities of The Depository Trust Company on or about April 6, 2015 against payment therefor in immediately available funds.

Joint Book-Running Managers

Sandler O Neill + Partners, L.P. BofA Merrill Lynch Keefe, Bruyette & Woods UBS Investment Bank Wells Fargo Securities

A Stifel Company

Co-Manager

Deutsche Bank Securities

The date of this prospectus supplement is March 31, 2015.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the **prospectus**, we are referring to both parts combined, and when we refer to the **accompanying prospectus**, we are referring to the base prospectus. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading Where You Can Find More Information in the accompanying prospectus and in this prospectus supplement and under the heading Incorporation by Reference in this prospectus supplement.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any written communication from Banc of California, Inc. or the underwriters specifying the final terms of this offering. Neither we nor the underwriters have authorized anyone to provide you with different or additional information from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters are offering to sell the notes, and seeking offers to buy the notes, only in jurisdictions where offers and sales are permitted. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of our securities, and they may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, or in any free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

In this prospectus supplement and the accompanying prospectus, unless the context indicates otherwise, references to the Company, Banc of California, we, us or our refer only to Banc of California, Inc. and not to any of its subsid

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the other documents we incorporate by reference in them contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words or phrases believe, will, should, will likely result, are expected to, will continue, is anticipated, project, plans, guidance or similar expressions are intended to identify forward-looking statements within the mean of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. These statements may relate to our future financial performance, strategic plans or objectives, revenue, expense or earnings projections, or other financial items. By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following:

our ability to consummate this offering or the Preferred Stock Offering in the size and manner described herein;

our ability to successfully integrate the assets and liabilities we acquired from Banco Popular North America (**BPNA**) in 2014;

risks that the Company s merger and acquisition activities, including but not limited to the recent acquisition of the BPNA branches and the acquisitions of The Private Bank of California, The Palisades Group, LLC (**Palisades**) and CS Financial, Inc., as well as the merger of the Company s subsidiary banks, may disrupt current plans and operations and lead to difficulties in customer and employee retention, risks that the amount of the costs, fees, expenses and charges related to these transactions could be significantly higher than anticipated and risks that the expected revenues, cost savings, synergies and other benefits of these transactions might not be realized to the extent anticipated, within the anticipated timetables, or at all;

risks that funds obtained from capital raising activities, including but not limited to this offering and the Preferred Stock Offering, will not be utilized efficiently or effectively;

a worsening of current economic conditions, as well as turmoil in the financial markets;

the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, may lead to increased loan and lease delinquencies, losses and nonperforming assets in our loan and lease portfolio, and may result in our allowance for loan and lease losses not being adequate to cover actual losses and require us to materially increase our loan and lease loss reserves;

the quality and composition of our securities portfolio;

changes in general economic conditions, either nationally or in our market areas, or financial markets;

continuation of the historically low short-term interest rate environment, changes in the levels of general interest rates, and the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources;

fluctuations in the demand for loans and leases, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area;

results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan and lease losses, write-down asset values, increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;

legislative or regulatory changes that adversely affect our business, including changes in regulatory capital or other rules;

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- our ability to control operating costs and expenses;
- staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our workforce and potential associated charges;
- errors in our estimates in determining fair value of certain of our assets, which may result in significant declines in valuation;
- the network and computer systems on which we depend could fail or experience a security breach;
- our ability to attract and retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and saving habits;
- adverse changes in the securities markets;
- earthquake, fire or other natural disasters affecting the condition of real estate collateral;
- the availability of resources to address changes in laws, rules or regulations or to respond to regulatory actions;
- inability of key third-party providers to perform their obligations to us;
- changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods;
- war or terrorist activities; and

other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described elsewhere in this prospectus or the documents incorporated by reference herein.

Some of these and other factors are discussed in our Annual Report on Form 10-K for the year ended December 31, 2014 previously filed with the SEC. Such developments could have an adverse impact on our financial position and results of operations. If one or more of the factors affecting our forward-looking statements proves incorrect, the actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. The effects of the factors described above are difficult to predict. Factors other than those described above also could adversely affect us, and investors should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

The forward-looking statements are based on our management s beliefs and assumptions and are made as of the date of this prospectus supplement (or, in the case of such statements contained in the accompanying prospectus, or document incorporated by reference, as of the date of such prospectus or document). We undertake no obligation to publicly update or revise any forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by the federal securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference might not occur, and you should not put undue reliance on any forward-looking statements.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-732-0330. The SEC also maintains a website at http://www.sec.gov that contains information we file electronically with the SEC.

We have filed a Registration Statement on Form S-3 (File No. 333-192518) with the SEC regarding the securities offered hereby. This prospectus supplement does not contain all of the information set forth in the registration statement or in the exhibits and schedules thereto, in accordance with the rules and regulations of the SEC, and we refer you to that omitted information. The statements made in this prospectus supplement pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions, and we qualify those statements in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement and its exhibits and schedules are available at the SEC s public reference room or through its website.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus supplement, and information we subsequently file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (File Number 001-35522) (excluding, in each case, information deemed to be furnished and not filed with the SEC) after the date of this prospectus supplement until the completion of this offering. The documents we incorporate by reference are:

Report(s)	Period(s) of Report(s) or Date(s) Filed
Annual Report on Form 10-K	For the year ended December 31, 2014, filed on March 16, 2015
Proxy Statement on Schedule 14A	Filed on April 4, 2014 (as amended by the information listed under Compensation Matters in Item 8.01 of the Current Report on Form 8-K, filed on June 13, 2014)
Current Reports on Form 8-K	Filed on February 19, 2015, February 27, 2015, March 2, 2015, March 3, 2015 and March 31, 2015

Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this prospectus supplement or the accompanying prospectus.

We will provide without charge to each person to whom a copy of this prospectus supplement has been delivered, upon written or oral request, a copy of any or all of the documents we incorporate by reference in this prospectus supplement, other than any exhibit to any of those documents, unless we have specifically incorporated that exhibit by reference into the information this prospectus supplement incorporates. You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or calling us at Investor Relations, Banc of California, Inc., 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612, telephone number (949) 236-5211.

In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information. The agreements may contain representations and warranties, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. Because it is a summary, it may not contain all of the information that is important to you. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors beginning on page S-11 of this prospectus supplement, as well as the documents incorporated by reference in this prospectus supplement, before making a decision to invest in the notes.

Banc of California, Inc.

Banc of California, Inc. is a financial holding company and the parent of Banc of California, National Association, a national bank (the **Bank**), Palisades, an SEC-registered investment advisor, and PTB Property Holdings, LLC, an entity formed to hold real estate, cash and fixed income investments. Prior to October 11, 2013, Banc of California, Inc. was a multi-bank holding company with two banking subsidiaries, Pacific Trust Bank, a federal savings bank, and The Private Bank of California. On October 11, 2013, Banc of California, Inc. became a one-bank holding company when Pacific Trust Bank converted from a federal savings bank to a national bank and changed its name to Banc of California, National Association, and immediately thereafter The Private Bank of California was merged into Banc of California, National Association. On January 17, 2014, Banc of California, Inc. became a financial holding company.

The Company was incorporated under Maryland law in March 2002, and, in July 2013, the Company changed its name to Banc of California, Inc. As noted above, in October 2013, the Company s subsidiary banks merged to form a single, national bank subsidiary under the name Banc of California, National Association. The Bank has one wholly owned subsidiary, CS Financial, Inc., a mortgage banking firm.

The principal executive offices of the Company are located at 18500 Von Karman Avenue, Suite 1100, Irvine, California, and its telephone number is (949) 236-5211.

Recent Developments

On March 30, 2015, the Company entered into a Credit Agreement (the **Credit Agreement**) by and between the Company, as borrower, and Wells Fargo Bank, National Association (**Wells Fargo**), pursuant to which Wells Fargo agreed to make advances to the Company from time to time to and including March 28, 2016, in an amount not to exceed $20 million, the proceeds of which are expected to be used for working capital purposes. Interest will accrue on loans under the Credit Agreement at a floating rate equal to a LIBOR rate plus 2.25% or a prime rate, in the discretion of the Company. The Company will pay a commitment fee on unused commitments under the Credit Agreement at a rate of 0.1875% per annum. The loans under the Credit Agreement will be unsecured, unsubordinated obligations of the Company and will not be guaranteed by any subsidiary of the Company. Wells Fargo Securities, LLC, an affiliate of Wells Fargo, is an underwriter for this offering.

Concurrent Offering

Concurrently with this offering, the Company is offering 4,000,000 depositary shares each representing 1/40th ownership interest in a share of Series D Preferred Stock, with a liquidation preference of $1,000 per share (equivalent to $25 per depositary share) (the **Preferred Stock Offering**). We will pay dividends on the Series D Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of our

board of directors. If declared, dividends will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, from the date of issuance at a rate of 7.375% per annum, payable quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2015. We estimate that the net proceeds from the Preferred Stock Offering will be approximately $96.35 million (or $110.88 million if the underwriters over-allotment option with respect thereto is exercised in full) (after deducting underwriting discounts and commissions and expenses payable by us). We intend to use the net proceeds of the Preferred Stock Offering for general corporate purposes.

The underwriters may also exercise their option to purchase up to an additional 600,000 depositary shares from us, at the public offering price, less the underwriting discount, solely to cover over-allotments, if any, for 30 days after the date of the prospectus supplement relating to the Preferred Stock Offering.

The Series D Preferred Stock is being offered by means of a separate prospectus supplement and not by means of this prospectus supplement. There can be no assurance that the Preferred Stock Offering will be completed. Neither of the offerings is conditioned upon the consummation of the other offering.

Risk Factors

Investing in the notes involves risks. You should carefully consider the information under Risk Factors beginning on page S-11 of this prospectus supplement and under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 16, 2015, as well as all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

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THE OFFERING

The following summary contains basic information about the notes and this offering. This description is not complete and does not contain all of the information that you should consider before investing in the notes. For a more complete understanding of the notes, you should read Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus. To the extent that the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information.

Issuer	Banc of California, Inc.
Securities Offered	$175,000,000 aggregate principal amount of 5.25% Senior Notes due 2025.
	We may, without the consent of any of the holders of the notes, create and issue additional senior debt securities that would form a single series with the notes offered by this prospectus supplement or that would form a new series.
Maturity Date	April 15, 2025.
Interest Rate	5.25% per year, accruing from April 6, 2015.
Interest Payment Dates	We will pay interest on the notes semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2015
Ranking	The notes will be unsecured and unsubordinated obligations of the Company and will rank equally in right of payment with all of our other existing and future unsubordinated indebtedness, including the 7.50% Senior Notes due April 15, 2020 (the **2020 Notes**) and our obligations under the Credit Agreement, and senior in right of payment to any of our existing or future obligations that are by their terms expressly subordinated or junior in right of payment to the notes. At December 31, 2014, we had $84.8 million in aggregate principal amount of 2020 Notes outstanding and $12.5 million in aggregate principal amount of junior subordinated amortizing notes outstanding, related to our outstanding 8.00% tangible equity units, and had no secured debt outstanding.
	The notes are our obligations exclusively, and are not obligations of any of our subsidiaries and will not be guaranteed by any of our subsidiaries.

The notes will be effectively subordinated to any secured indebtedness of ours to the extent of the value of the collateral securing such indebtedness. The notes will be effectively subordinated to all existing and future indebtedness and other liabilities and preferred equity of our subsidiaries. See Description of Debt Securities Ranking of Debt Securities; Holding Company Structure in the accompanying prospectus. At December 31, 2014, our subsidiaries had outstanding indebtedness (excluding deposits in the Bank) aggregating approximately $633 million, consisting of advances from the Federal Home Loan Bank expected to mature in 2015, and the ability to borrow an additional $501 million, $85 million and $306 million

	from the Federal Home Loan Bank, as well as through Federal Funds and reverse repurchase agreements, respectively. The Bank had $4.67 billion in deposit liabilities at that date.
Optional Redemption	We may, at our option, on or after January 15, 2025 (90 days prior to the maturity date of the notes), redeem the notes in whole at any time or in part from time to time, as described in Description of the Notes Optional Redemption.
Certain Covenants	The indenture, dated as of April 23, 2012 (as supplemented by a supplemental indenture with respect to the notes, the **indenture**), between the Company (formerly known as First PacTrust Bancorp, Inc.) and U.S. Bank National Association, as Trustee, under which the notes will be issued, includes several covenants which will, among other things, restrict our ability and the ability of our subsidiaries to dispose of or incur liens on the voting stock of certain subsidiaries.
	For more details, see the section in this prospectus supplement entitled Description of the Notes Covenants.
Trustee	U.S. Bank National Association.
Use of Proceeds	We estimate that the net proceeds from the sale of the notes will be approximately $172.31 million after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes. For more details, see the section in this prospectus supplement under the heading Use of Proceeds.
Minimum Denomination; Form	The notes will be issued only in fully registered, book-entry form and in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. See Description of the Notes General and Description of the Notes Book-Entry, Delivery and Form.
No Public Market	The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. The underwriters may make a market in the notes after the completion of this offering, but will not be obligated to make a market in the notes and may discontinue such market making at any time at their sole discretion. No assurance can be given as to the liquidity of

	the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.
Governing Law	The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York. The indenture will be subject to the provisions of the Trust Indenture Act of 1939, as amended.

Risk Factors	Investing in the notes involves risks. Before deciding whether to invest in the notes, you should carefully consider the information set forth in the section of the prospectus supplement entitled Risk Factors beginning on page S-11, as well as the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus.
Concurrent Offering	Concurrently with this offering, we are offering 4,000,000 depositary shares (or 4,600,000 depositary shares if the underwriters of that offering exercise their over-allotment option in full) each representing 1/40th ownership interest in a share of Series D Preferred Stock, with a liquidation preference of $1,000 per share (equivalent to $25 per depositary share). The Series D Preferred Stock is being offered by means of a separate prospectus supplement. Neither of the offerings is conditioned upon the consummation of the other offering. For more information, see Prospectus Supplement Summary Concurrent Offering in this prospectus supplement.
Conflicts of Interest	One of our directors, Halle Benett, serves as the Managing Director and Head of the Diversified Financials Group at Keefe, Bruyette & Woods, a Stifel Company, an underwriter participating in this offering. Accordingly, a conflict of interest under Rule 5121 of the Financial Industry Regulatory Authority (**FINRA**) may be deemed to exist. This offering is being conducted in compliance with FINRA Rule 5121. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering. Keefe, Bruyette & Woods is also an underwriter participating in the Preferred Stock Offering.

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RISK FACTORS

An investment in the notes involves various risks. You should carefully consider the risk factors described in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed on March 16, 2015, and in our other reports filed from time to time with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. You should also carefully consider the risks described below, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in the notes. The risks described below and in the accompanying prospectus or in the documents incorporated by reference herein are not the only risks applicable to us or an investment in the notes. Additional risks not currently known to us or that we currently consider immaterial also may impair our business.

Risks Relating to the Notes

The notes are unsecured and unsubordinated obligations of the Company and not obligations of or guaranteed by our subsidiaries and will be effectively subordinated to any future secured obligations of the Company and to all obligations of the Company s subsidiaries. Structural subordination increases the risk that we will be unable to meet our obligations on the notes when they mature.

The notes will be unsecured and unsubordinated obligations of the Company and will rank equally in right of payment with all of our other existing and future unsubordinated indebtedness, including the 2020 Notes and our obligations under the Credit Agreement, and senior in right of payment to any of our existing or future obligations that are by their terms expressly subordinated or junior in right of payment to the notes. At December 31, 2014, we had $84.8 million in aggregate principal amount of 2020 Notes outstanding and $12.5 million in aggregate principal amount of junior subordinated amortizing notes outstanding, related to our outstanding 8.00% tangible equity units, and had no secured debt outstanding.

The notes will be obligations of the Company exclusively, and will not be obligations of any of our subsidiaries and will not be guaranteed by any of our subsidiaries. The notes will be effectively subordinated to any secured indebtedness of the Company to the extent of the value of the collateral securing such indebtedness. The notes will be effectively subordinated to all existing and future indebtedness and other liabilities and preferred equity of our subsidiaries. See Description of Debt Securities Ranking of Debt Securities; Holding Company Structure in the accompanying prospectus. At December 31, 2014, our subsidiaries had outstanding indebtedness (excluding deposits in the Bank) aggregating approximately $633 million, consisting of advances from the Federal Home Loan Bank expected to mature in 2015, and the ability to borrow an additional $501 million, $85 million and $306 million from the Federal Home Loan Bank, as well as through Federal Funds and reverse repurchase agreements, respectively. The Bank had $4.67 billion in deposit liabilities at that date.

We depend primarily on cash dividends from our subsidiaries to meet our cash obligations. Failure of our subsidiaries to pay sufficient cash dividends would prevent us from paying interest on the notes or the principal of the notes at maturity.

The Company is a holding company and reports financial information on a consolidated basis with its subsidiaries. Substantially all of the Company s consolidated assets are held by its subsidiaries, in particular, the Bank and Palisades. As the Company is a holding company, dividends from the Bank and Palisades provide a substantial portion of the Company s cash flow, which will be used to pay interest on the notes and on the Company s other existing and future indebtedness. The Office of the Comptroller of the Currency regulates and, in some cases, must approve the amounts the Bank pays as dividends to us. If either the Bank or Palisades is unable to pay sufficient cash dividends to us, then we may not be able pay interest and principal on our existing and future indebtedness, including the notes, or pay our other obligations, which could have a material adverse impact on our financial condition and the value of your investment. The Bank did not pay dividends to the Company in 2014.

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Under the regulations of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require the Company to commit resources to the Bank, even when doing so is not otherwise in the interests of the Company or its stockholders or creditors.

We may not be able to generate sufficient cash to service our debt obligations, including our obligations under the notes.

Our ability to make payments on and to refinance our indebtedness, including the notes, will depend on our and our subsidiaries financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We and our subsidiaries may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our and our subsidiaries cash flows and capital resources are insufficient, we and our subsidiaries may be unable to provide new loans or other products or to fund obligations to existing customers, and otherwise to implement business plans, or to sell assets, seek additional capital or restructure or refinance indebtedness, including the notes. As a result, we and our subsidiaries may be unable to meet our and their scheduled debt service obligations. In the absence of sufficient operating results and resources, we and our subsidiaries could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our and their debt service and other obligations. We and our subsidiaries may not be able to consummate those dispositions of assets or to obtain the proceeds that could be realized from them and these proceeds may not be adequate to meet any debt service obligations then due.

There is currently no trading market for the notes, and an active public trading market for the notes may not develop or, if it develops, may not be maintained. The failure of an active liquid trading market for the notes to develop or be maintained is likely to adversely affect the market price and liquidity of the notes.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. The underwriters may make a market in the notes after the completion of this offering, but will not be obligated to make a market in the notes and may discontinue such market making at any time at their sole discretion. Accordingly, an active trading market may not develop for the notes and, even if one develops, may not be maintained. If an active trading market for the notes does not develop or is not maintained, the market price and liquidity of the notes is likely to be adversely affected, and holders may not be able to sell their notes at desired times and prices or at all. If any of the notes are traded after their purchase, they may trade at a discount from their purchase price.

The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our financial condition, results of operations, business, prospects and credit quality, and those of comparable entities, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in any of these factors, some of which are beyond our control. In addition, market volatility or events or developments in the credit markets could materially and adversely affect the market value of the notes, regardless of our financial condition, results of operations, business, prospects or credit quality.

The market price of the notes depends on many factors, some which are beyond our control, and the occurrence of any of which could result in a decrease in the value of the notes.

The market price of the notes will depend on many factors that may vary over time and some of which are beyond our control, including, among others, the following:

- our financial performance;

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- the amount of our outstanding indebtedness;
- prevailing market interest rates;
- the market for similar securities;
- the ratings of the notes;
- the size and liquidity of the market for the notes; and
- general economic conditions.

As a result of these factors, you may be able to sell your notes only at prices below those you believe to be appropriate, including prices below the price you paid for them. In general, as market interest rates rise, notes bearing interest at a fixed rate decline in value. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

The ratings of the notes may change after the issuance of the notes, and those changes may have an adverse effect on the market prices and liquidity of the notes.

Credit ratings that the notes may receive will not address all material risks relating to an investment in the notes, but reflect only the view of each rating agency at the time the rating is issued. There is no assurance that any such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances so warrant. A downgrade or potential downgrade in these ratings or the assignment of new ratings that are lower than existing ratings could reduce the number of potential investors of the notes and adversely affect the prices and liquidity of the notes. A security rating is not a recommendation to buy, sell or hold the notes.

There are limited covenants in the indenture.

The indenture governing the notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience material adverse changes in our financial condition or results of operations;
- limit the ability of the Company and its subsidiaries to incur indebtedness;
- prevent the Company or any of its subsidiaries from becoming subject to liens, except to the extent described under Description of the Notes Covenants in this prospectus supplement;

- restrict our ability to pay dividends, prepay indebtedness ranking junior to the notes or make investments; or

- restrict our ability to engage in any acquisition or other transaction, other than our ability to merge or consolidate with, or sell all or substantially all of our assets to, another person without the surviving person or transferee (if other than the Company) assuming the obligations under the notes.

For these reasons, you should not consider the covenants in the indenture as a significant factor in evaluating whether to invest in the notes.

An increase in the level of our outstanding indebtedness, or other events, could have an adverse impact on our business, properties, capital structure, financial condition, results of operations or prospects, which could adversely impact the trading prices for, or the liquidity of, the notes. Any such event could also adversely affect our cost of borrowing, limit our access to the capital markets or result in more restrictive covenants in future debt agreements.

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The terms of the Company s and its subsidiaries current indebtedness contain, and the terms of their future indebtedness may contain, covenants that restrict the Company and its subsidiaries current and future operations, which may limit the Company and its subsidiaries ability to engage in activities that may be in our and their interest, and a failure by the Company or its subsidiaries to comply with those covenants may materially adversely affect the business, results of operations and financial condition of the Company and its subsidiaries.

The Credit Agreement contains, and any future indebtedness the Company or any of its subsidiaries may incur may contain, a number of restrictive covenants that may impose significant operating and financial restrictions on the Company s and/or its subsidiaries ability to, among other things: (i) incur or guarantee additional debt; (ii) pay dividends and make other restricted payments and investments; (iii) create or incur certain liens; (iv) make certain loans, acquisitions, advances or investments; (v) engage in sales of assets and subsidiary stock; and (vi) transfer all or substantially all of our assets or enter into merger or consolidation transactions. The 2020 Notes contain restrictive covenants that, among other things, restrict the Company s ability and the ability of the Company s subsidiaries to dispose of or incur liens on the voting stock of certain subsidiaries. In addition, the Credit Agreement contains certain financial covenants applicable to us and our bank subsidiaries (of which we presently have one, Banc of California, N.A.).

The Company s and its subsidiaries existing and future debt covenants may limit the Company s and its subsidiaries ability to engage in activities that may be in the Company s and its subsidiaries long-term best interests. A failure to comply with the Company s or its subsidiaries debt covenants could result in an event of default that, if not cured or waived, could have a material adverse effect on the business, results of operations and financial condition of the Company and its subsidiaries, on the ability of the Company to make interest and principal payments on the notes and on the value of your investment in the notes. If the Company or any of its subsidiaries defaults under their respective indebtedness, the Company and its subsidiaries may not be able to borrow additional amounts and the applicable lenders could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, or take other remedial actions. The 2020 Notes contain, and future indebtedness of the Company and its subsidiaries may contain, cross-default provisions or cross-acceleration provisions, which means that if an event of default occurs under certain material indebtedness, such event of default may trigger an event of default under the Company s or its subsidiaries other indebtedness. If our indebtedness were to be accelerated, we cannot assure you that our assets would be sufficient to repay such indebtedness in full.

Increased leverage as a result of this offering may harm our financial condition and results of operations.

As of December 31, 2014, we had $84.8 million in aggregate principal amount of 2020 Notes outstanding, $12.5 million of amortizing notes related to our outstanding 8.00% tangible equity units, and 82,250 shares of preferred stock issued and outstanding, consisting of 32,000 shares of Senior Non-Cumulative Perpetual Preferred Stock, Series A, with a liquidation preference of $1,000 per share, 10,000 shares of Non-Cumulative Preferred Stock, Series B, with a liquidation amount of $1,000 per share, and 40,250 shares of 8.00% Non-Cumulative Perpetual Preferred Stock, Series C, with a liquidation preference of $1,000 per share. See Capitalization. We may also borrow from time to time under our Credit Agreement in an aggregate amount not to exceed $20 million outstanding at any time. In addition, concurrently with this offering, we are offering 4,000,000 depositary shares (or 4,600,000 depositary shares if the underwriters in the Preferred Stock Offering exercise their over-allotment option in full) each representing a 1/40th ownership interest in a share of Series D Preferred Stock with a liquidation preference of $1,000 per share (equivalent to $25 per depositary share). See Prospectus Supplement Summary Concurrent Offering in this prospectus supplement.

As of December 31, 2014, our subsidiaries had outstanding indebtedness (excluding deposits in the Bank) aggregating approximately $633 million, consisting of advances from the Federal Home Loan Bank expected to mature in 2015, and the ability to borrow an additional $501 million, $85 million and $306 million from the Federal Home Loan Bank, as well as through Federal Funds and reverse repurchase agreements, respectively. The Bank had $4.67 billion in deposit liabilities at that date.

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Our subsidiaries and our level of indebtedness could have important consequences to you, because:

- it could affect our subsidiaries and our ability to satisfy our financial obligations, including those relating to the notes;
- a portion of our cash flows from operations will have to be dedicated to interest and principal payments and may not be available for operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes;
- it may impair our subsidiaries and our ability to obtain additional financing in the future;
- it may limit our subsidiaries and our flexibility in planning for, or reacting to, changes in our business and industry; and
- it may make the Company and our subsidiaries more vulnerable to downturns in our business, our industry or the economy in general.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately $172.31 million, after deducting the underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes.

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CAPITALIZATION

The following table shows the consolidated capitalization of the Company and its consolidated subsidiaries as of December 31, 2014:

- on an actual basis;
- as adjusted to give effect to the proceeds of approximately $172.31 million from the notes offered hereby, net of underwriting discounts and expenses to be paid by us; and
- as further adjusted to give effect to the proceeds of approximately $172.31 million from the notes offered hereby, net of underwriting discounts and expenses to be paid by us, and the proceeds of approximately $96.35 million from the Preferred Stock Offering, net of underwriting discounts and commissions and expenses to be paid by us, assuming the underwriters of the Preferred Stock Offering do not exercise their over-allotment option to purchase additional depositary shares.

The following table should be read in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus. The following table is not adjusted for, and does not reflect, the Credit Agreement or any borrowings thereunder.

	December 31, 2014 (In thousands of dollars)		
	Actual	**As Adjusted for this Offering**	**As Adjusted for Both Offerings**
Cash and cash equivalents	**$ 231,199**	**$ 403,512**	**$ 499,862**
Short-term debt			
FHLB advances	$ 633,000	$ 633,000	$ 633,000
Other short-term borrowings (Federal Funds and repurchase agreements)			
Total short-term debt	**$ 633,000**	**$ 633,000**	**$ 633,000**
Long-term debt			
FHLB advances			
Senior notes due 2020, net of $3.103 million discount	81,647	81,647	81,647
Secured borrowings			
Junior subordinated amortizing notes	11,922	11,922	