



AT A GLANCE

TATUM FINANCIAL REPORTING

UCB lacked the internal accounting staff - in skills and number - to file its first combined entity financial and regulatory reports in accordance with FDIC deadline. With Tatum's help, required call reports were filed in accurate and timely fashion.

TATUM MERGER & POST MERGER ACQUISITION

UCB was ill-equipped to manage financial, regulatory and tax accounting policies and business processes required for, during and after acquisition. Tatum helped set up operations for acquisition accounting, from mark-to market valuations and branch location call reports to data merging and staff evaluation.

TATUM AUDIT SUPPORT

IT constraints and poor data quality hindered UCB's ability to prepare for its first audit by a major accounting firm. Tatum helped keep the audit moving forward by working with external auditors, accountants and the incoming CFO.

Growing bank seeks acquisition assistance and post-merger integration support.

Brief Overview

United Central Bank was in growth mode. Indeed, enlarging its presence both through internal expansion and the addition of new banking centers had been part of the Texas-based community bank's vision from the start.

Founded in 1987, the minority-owned financial institution set out to serve the first-generation Asian community of Dallas. UCB steadily increased its customer base adding branches in other suburban areas with traditionally underserved Asian populations such as Houston, Austin, Los Angeles, Washington and Atlanta.

Offering both personal and commercial financial services, UCB soon became a Small Business Administration preferred lender. The business model worked. By 2009, UCB had grown into a \$1.2 billion asset bank with 18 locations. The bank's leadership was ready to expand through another growth strategy: acquisition.

Situation

UCB zeroed in on purchase opportunities in Chicago and New York, two markets where the bank already had loan production offices. What's more, leadership looked to build on the bank's credibility with minority customers.

The ideal match came in Chicago-based Mutual Bank Corporation. With 12 locations serving Asian customers in Illinois, New York and New Jersey, the failed commercial bank reported \$1.4 billion in assets.

"As a slightly larger, minority-owned community bank, Mutual Bank presented the perfect blend and fit," said UCB CEO Luke Lively. "It was a win for everyone especially our customers."

The acquisition would leverage UCB's presence within its established multicultural niche as well as the larger banking community. Made through the new FDIC "loss share" agreement on July 31, 2009, the purchase effectively doubled the bank's size overnight.

"We had a very positive Tatum experience. Tatum will always be part of our organization."

- Luke Lively, CFO, United Central Bank



Yet UCB faced a daunting deadline. Its first combined-entity financial and regulatory reports were due October 31. The bank had one month to account for the recent acquisition including mark-to-market value of all assets, tax and deferred tax issues and filing the required quarterly call reports with regulators.

To complete the acquisition smoothly, UCB needed help in the trenches. UCB's CFO announced his resignation the week before the Mutual Bank deal was inked. And its existing staff had limited experience with GAAP and tax policies which would become ongoing demands under the purchase agreement.

Why Tatum

UCB's accounting partner recommended Tatum. CEO Lively immediately recognized the name. "When you are in a market this size, you know who the good firms are," he says. "We came to Tatum through reputation—that solid standing is especially reassuring to a busy executive."

UCB knew Tatum was equipped to handle the host of other complex business issues such as preparation

for a first-time audit by a major accounting firm. Adding to the complexity, UCB and Mutual operated on two separate computer systems.

"We were impressed with Tatum's all-around skills and depth of experience especially in accounting and acquisition."

- Luke Lively, CFO, United Central Bank

Results

With Tatum's help, UCB managed to keep its growing pains to a minimum.


The expanding community bank filed its first combined-entity required financial and regulatory reports in a timely and accurate fashion. With the October end deadline met, Tatum and the client's finance staff of about 30 shifted into audit preparation mode.

During this phase, Tatum maintained careful and consistent communication with UCB and its outside accounting partner. Working closely with Lively and his incoming CFO (retained from Mutual Bank), Tatum made sure the external auditor had what was needed to keep the audit moving forward.

"Tatum made the acquisition accounting process a learning experience for all of us," Lively says. "Great communication turned what could easily have been a nightmare into a solid, productive partnership. Beyond increased functionality, we were able to gain a level of objectivity that we couldn't achieve on our own."

UCB now has 31 offices in eight states with 35 languages spoken across the financial institution. Recent reports suggest the \$2.6 billion asset bank is once again poised for growth ready to spend up to \$1.4 billion next year to acquire failed bank assets in Texas and San Francisco.

"We see opportunities to acquire banks in the next 12 to 18 months as part of our ongoing growth plan as is restructuring our accounting division," Lively says.

"We'll continue to look to Tatum for guidance in both areas," Lively continues. "We plan to work with Tatum for years to come." 

About Tatum

Companies turn to Tatum when critical business challenges arise because we immediately deliver C-level financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and our VELOCI-T solutions were designed to help business leaders accelerate results to *create more value™*.