



**FOR IMMEDIATE RELEASE**

**PRIVATE BANCORP OF AMERICA, INC REPORTS SPECIFIC LOAN LOSS PROVISION**

La Jolla, Calif. – September 16, 2019 (GLOBE NEWSWIRE) – Private Bancorp of America, Inc. (OTCQX:PBAM) (“Company”) and its wholly-owned subsidiary, CalPrivate Bank (“Bank”), have concluded that the Bank will record a \$9.5 million specific loan loss provision and related charge-off with respect to the Bank’s share of the principal amount outstanding under a line of credit. The total principal amount of the line of credit is \$12.5 million and a participating bank holds the remaining \$3 million share. The line of credit was initially extended by the Bank in September 2015 to a borrower engaged in the financing of California liquor licenses. The loan documentation provides for advances to liquor license escrow accounts held at a third party escrow company to finance the borrower’s business of making short term loans to parties seeking to acquire California liquor licenses. The line of credit is guaranteed by ANI Development, LLC (“ANI”) and Gina Champion-Cain (“Champion-Cain”), who controls ANI, as well as by certain other parties related to the borrower.

On August 28, 2019, the Securities and Exchange Commission (“SEC”) filed a complaint against ANI and Champion-Cain in the United States District Court for the Southern District of California, case number 3:19-ca-01628-H-BLM (the “SEC Complaint”). On September 3, 2019, the SEC obtained a consented-to order of the court freezing the assets of ANI and Champion-Cain, among others, and appointing a receiver to take control of ANI and all of its subsidiaries and affiliates. According to the SEC Complaint, ANI and Champion-Cain operated a \$300 million scheme that defrauded approximately 50 investors, including the Bank’s borrower. According to the SEC complaint, ANI and Champion-Cain misrepresented and forged escrow account agreements and statements, presented fraudulent liquor license applications, and misappropriated the funds.

The Company estimates that the after-tax impact of the provision for the third quarter will be \$6.7 million based on a 29% effective tax rate, or \$1.29 per diluted common share. At \$9.5 million, the charge-off is equivalent to approximately 1.19% of the Company’s \$795.3 million gross loan portfolio as reported at June 30, 2019. Further, the Company estimates that the charge-off amount will have the following impact on the various regulatory capital ratios on a pro forma basis as of June 30, 2019, all of which will continue to exceed the levels required by applicable regulation.

**Pro Forma  
Capital Ratios**

<i>Capital Ratios:</i>	Actual as of June 30, 2019	Pro forma as of June 30, 2019
<b>Private Bancorp of America, Inc.</b>		
Tier 1 Leverage Ratio	10.69%	9.94%
Tier 1 Risk-based Capital Ratio	11.10%	10.32%
Common Equity Tier 1 Ratio	11.10%	10.32%
Total Risk-based Capital Ratio	14.10%	13.33%
Tangible Equity / Total Assets	10.32%	9.40%
<b>CalPrivate Bank</b>		
Tier 1 Leverage Ratio	12.30%	11.55%
Tier 1 Risk-based Capital Ratio	12.81%	12.02%
Common Equity Tier 1 Ratio	12.81%	12.02%
Total Risk-based Capital Ratio	13.73%	12.94%
Tangible Equity / Total Assets	11.85%	10.95%

The Bank is continuing to investigate the matters described above. Although the Bank plans to pursue any available sources of collection and other potential means of mitigating the loss, no assurance can be given that it will be successful in this regard.

**About Private Bancorp of America, Inc.**

Private Bancorp of America, Inc. (OTCQX: PBAM), is the holding company for CalPrivate Bank. CalPrivate Bank provides a Distinctly Different banking experience through unparalleled service and creative funding solutions to high net worth individuals, professionals, locally owned businesses and real estate entrepreneurs. Customers are serviced through offices in Coronado, San Diego, La Jolla, Newport Beach, El Segundo and Beverly Hills as well as efficient electronic banking offerings. The Bank also offers various portfolio and government guaranteed lending programs, including SBA and cross-border Export-Import Bank programs. CalPrivate Bank is an SBA Preferred Lender.

**Investor Relations Contact**

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## **Safe Harbor Paragraph**

*This press release includes forward-looking statements that involve inherent risks and uncertainties. Private Bancorp of America, Inc. cautions readers that a number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include loan losses, economic conditions and competition in the geographic and business areas in which Private Bancorp of America, Inc. operates, our ability to successfully integrate and develop business through the addition of new personnel and facilities and merged banks, whether our efforts to expand loan, product and service offerings will prove profitable, the effects of the bank mergers and acquisitions in our markets, system failures and internet security, inflation, fluctuations in interest rates, legislation and governmental regulation. You should not place undue reliance on forward-looking statements and we undertake no obligation to update those statements whether as a result of changes in underlying factors, new information, future events or otherwise.*