
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
November 27, 2018 (November 26, 2018)

OPUS BANK

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation)

33-0564430
(IRS Employer
Identification No.)

1990 MacArthur Blvd.
12th Floor
Irvine, CA 92612
(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (949) 250-9800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective November 26, 2018, the Board of Directors (the “Board”) of Opus Bank (the “Bank”) appointed Paul G. Greig, who has served as Chairman of the Board since January 2018, as Interim President and Chief Executive Officer. On the same date, Stephen H. Gordon resigned as President and Chief Executive Officer of the Bank and as a member of the Board. Mr. Greig will continue to serve as Chairman of the Board.

Mr. Greig, age 62, joined the Board in April 2017 and was appointed Lead Independent Director in May 2017 before becoming Chairman. Mr. Greig formerly served as Chairman, President and CEO of FirstMerit Corporation (“FirstMerit”) and its wholly-owned bank subsidiary, FirstMerit Bank N.A., from 2006 until August 2016. From 2011 to 2013, Mr. Greig served as a director of the Federal Reserve Bank of Cleveland and from 2014 until 2016 as a Member of the Federal Reserve’s Federal Advisory Council, including as Vice President of the Council in 2016. From 2005 to 2006, Mr. Greig served as President and Chief Executive Officer of Charter One Bank, Illinois. From 1999 to 2005, Mr. Greig served as President and Chief Executive Officer for Bank One Corporation, Wisconsin and for JPMorgan Chase Wisconsin from 2004 to 2005 following its acquisition of Bank One. Mr. Greig began his banking career with American National Bank in 1978. Mr. Greig’s philanthropic and board activities have included serving as Member of the Executive Committee for the Mid-Size Bank Coalition of America, Board Member of the American Bankers Association, Member of the Board of Trustees for the Cleveland Orchestra’s Musical Arts Association, and Trustee and Executive Committee Member for the Greater Cleveland Sports Commission. Mr. Greig earned a B.A. in economics from Wheaton College and an M.B.A. from DePaul University.

On November 26, 2018, in connection with Mr. Greig’s appointment as Interim President and Chief Executive Officer, the Bank entered into a letter agreement with Mr. Greig (the “Greig Letter Agreement”) setting forth the terms of his employment and compensation while serving as Interim President and Chief Executive Officer. The Greig Letter Agreement provides that Mr. Greig will serve as Interim President and Chief Executive Officer until the earliest of (a) the date on which a new Chief Executive Officer is appointed and commences employment with the Bank, (b) May 26, 2019 and (c) such earlier date as may be agreed between Mr. Greig and the Board, after which time Mr. Greig will recommence serving solely as Chairman of the Board and on such committees of the Board as he was serving prior to November 26, 2018. In consideration for Mr. Greig’s services as Interim President and Chief Executive Officer, he will be entitled to a monthly base salary of \$375,000, prorated for any partial month, and certain employee and fringe benefits. While serving as Interim President and Chief Executive Officer, Mr. Greig will not be entitled to regular annual director compensation, though he will continue to vest in equity awards and other contractual entitlements granted to him or existing prior to November 26, 2018. The foregoing summary is qualified in its entirety by reference to the Greig Letter Agreement, a copy of which is attached as Exhibit 10.1 and is incorporated herein by reference.

In connection with his cessation of service as an officer of the Bank, Mr. Gordon will be entitled to the payments and benefits (including vesting of his restricted stock units) applicable upon a termination without cause under his existing Employment Agreement, dated as of December 8,

2012, as amended, by and between the Bank and Mr. Gordon, a copy of which is filed with the Bank's Registration Statement on Form 10 filed with the Federal Deposit Insurance Corporation on March 10, 2014, and is incorporated herein by reference.

Item 8.01. Other Events.

On November 27, 2018, the Bank issued a press release related to the matters described above in Item 5.02. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Letter Agreement, dated November 26, 2018, between Opus Bank and Paul G. Greig
99.1	Press Release, dated November 27, 2018

Forward-Looking Statements

This report includes forward-looking statements related to Opus Bank's plans, beliefs and goals. Forward-looking statements are neither historical facts nor assurances of future performance. Opus Bank generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this report are based on Opus Bank's current plans, beliefs, estimates, expectations and goals. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity that could cause actual results to differ materially from those indicated by the forward-looking statements, including, without limitation: market and economic conditions, changes in interest rates, our liquidity position, the management of our growth, the risks associated with our loan portfolio, local economic conditions affecting retail and commercial real estate, our geographic concentration in the western region of the United States, competition within the industry, dependence on key personnel, government legislation and regulation, the risks associated with any future acquisitions, the effect of natural disasters, and risks related to our technology and information systems. For a discussion of these and other risks and uncertainties, see Opus Bank's filings with the Federal Deposit Insurance Corporation, including, but not limited to, the risk factors in Opus Bank's Annual Report on Form 10-K filed with the Federal Deposit Insurance Corporation on March 14, 2018. If one or more of these or other risks or uncertainties materialize, or if Opus Bank's underlying assumptions prove to be incorrect, Opus Bank's actual results may vary materially from those indicated in these statements. These filings are available on the Investor Relations page of Opus Bank's website at www.opusbank.com.

Opus Bank undertakes no obligation to revise or publicly release any revision to these forward-looking statements, whether as a result of new information, future developments or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OPUS BANK

Date: November 27, 2018

By: /s/ Kevin L. Thompson
Name: Kevin L. Thompson
Title: Executive Vice President, Chief
Financial Officer

Exhibit No.10.1

Letter Agreement, dated November 26, 2018, between Opus Bank and Paul G. Greig

OPUS BANK
19900 MacArthur Boulevard
Irvine, California 92612

November 26, 2018

Paul G. Greig
(at the Address on file with Opus Bank)

Re: Employment as Interim President and Chief Executive
Officer

Dear Paul:

This letter agreement (this "Agreement") memorializes our discussions and agreement concerning your employment on an interim and temporary basis as the Interim President and Chief Executive Officer (collectively, the "Interim CEO") of Opus Bank (the "Bank"), in addition to your service on the Board of Directors of the Bank (the "Board") as the Chairman of the Board and certain committees thereof. The compensation contemplated hereunder is in respect of your employment as the Interim CEO.

1. Effective Date; Interim Period

The term of this Agreement and your employment as the Interim CEO shall commence on November 26, 2018 (the "Effective Date") and terminate on the first to occur of (a) the date on which a new Chief Executive Officer is appointed by the Board and such individual commences employment with the Bank, (b) the date that is six months after the Effective Date (the "Outside Date") or (c) such earlier date as shall be agreed between you and the Board (such period, the "Interim Period"). If the Interim Period has not previously ended, commencing on January 15, 2019 and on or about the 15th day of each calendar month thereafter, the Chair of the Governance and Nominating Committee of the Board and you shall assess whether the Interim Period should end prior to the Outside Date as contemplated by the foregoing clause (c).

2. Positions

(a) *Interim Period.* During the Interim Period, you shall (i) be employed as Interim President and Chief Executive Officer, with such duties, responsibilities and authority as are consistent with such positions, and (ii) report directly to the Board. While serving as the Interim CEO, you shall continue to be a member, and the Chairman, of the Board and the Risk

Committee of the Board, and in your capacity as the Chairman of the Board, shall lead the search for a permanent Chief Executive Officer.

(b) *Following the Interim Period.* Following the Interim Period, your employment as Interim CEO shall cease automatically and, to the extent necessary, you shall resign as the Interim CEO and from any other officer positions you then hold with the Bank or its affiliates. Immediately following the Interim Period, you shall recommence (i) serving solely as the Chairman of the Board and on such committees, including any applicable chairman positions, as in effect prior to the Effective Date, including on the Nominating and Governance Committee of the Board (which Committee you shall cease serving on during the Interim Period), and (ii) receiving nonemployee director compensation on the same basis as applicable to you prior to the Effective Date, with any periodic retainers and equity awards to be prorated for the applicable period of service.

3. Compensation

(a) *Base Salary.* During the Interim Period, you shall receive a monthly base salary of three hundred seventy-five thousand dollars (\$375,000) (the “Base Salary”), prorated for any partial month, payable in accordance with the Bank’s normal payroll practices applicable to officers of the Bank. During the Interim Period, you shall not be eligible to receive regular annual director compensation (annual retainer and equity grant and meeting fees); *provided* that, with respect to your service as a director, you shall receive the remaining installment of the fee under the letter agreement between you and the Bank dated October 9, 2018 (the “October 9 Letter”). In addition, service as the Interim CEO shall qualify as service for all purposes, including vesting, of any equity awards previously granted to you in your capacity as a member of the Board.

(b) *Employee and Fringe Benefits; Expense Reimbursement.* During the Interim Period, (i) you shall be eligible for employee benefits on the terms generally provided by the Bank or its affiliates from time to time; (ii) you shall receive a fringe benefit allowance of one thousand dollars (\$1,000) per month (prorated for any partial month), to be paid on the first payroll date following the end of each calendar month; (iii) the Bank shall provide you with temporary housing in the Orange County, California area (you will continue to be a resident of Florida) and a company automobile and reimburse you (or your spouse) for reasonable travel expenses between California and Florida or Michigan, not more than once per week (in the aggregate). The Bank shall reimburse you for any applicable taxes imposed on you with respect to the benefits provided in the foregoing clause (iii). In addition, you shall be reimbursed for all business expenses incurred during the Interim Period in accordance with the terms of the Bank’s policies as in effect from time to time.

4. Indemnification

During the Interim Period and thereafter, the Bank shall indemnify you with respect to your services to the Bank in your role as Interim CEO, and you shall be covered by directors and officers liability insurance to the same extent that such coverage is then-maintained for officers or directors of the Bank in active service, including any “tail” policy coverage. In addition, the Bank shall indemnify you for any additional state and local income taxes incurred by you on your income (other than California source income, including income in respect of your services to the Bank) as a result of your service in California as an employee of the Bank, and for any legal and other professional service fees and expenses incurred by you in connection with any such dispute or audit with respect thereto.

5. At-will Employment

Your employment shall be at-will. You shall not be entitled to any severance benefits upon your termination of employment, but shall receive all accrued and unpaid compensation and all reimbursable amounts hereunder and business expenses. Following any termination of your employment as the Interim CEO, you shall be eligible to elect continued healthcare coverage under federal COBRA and Cal-COBRA (up to an additional 18 months of coverage following federal COBRA), in accordance with the terms of the Bank’s plans to the maximum extent permitted.

6. Confidential Information; Return of Company Property

You agree that, during your employment as the Interim CEO and at all times thereafter, you shall hold for the benefit of the Bank all secret or confidential information, knowledge or data relating to the Bank and its affiliates, which shall have been obtained by you during your employment with the Bank and which shall not be or become public knowledge (other than by acts by you in violation of this Agreement). Except in the good faith performance of your services to the Bank, you shall not, without the prior written consent of the Bank or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Bank and those individuals designated by it. In addition, you agree that upon your cessation of employment as the Interim CEO, you shall provide to the Bank all documents, papers, files or other material in your possession and under your control that are connected with or derived from your employment as the Interim CEO under this Agreement. You acknowledge that the Bank would be irreparably injured by a violation of this Section 6, and you agree that the Bank, in addition to any other remedies available to it for such breach or threatened breach shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining you from any actual or threatened breach of this Section 6.

Notwithstanding any provision of this Agreement to the contrary, nothing contained herein is intended to, or shall be interpreted in a manner that does, limit or restrict you from exercising any legally protected whistleblower rights, including pursuant to Rule 21F under the Securities Exchange Act of 1934.

7. Section 409A

This Agreement is intended to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury regulations relating thereto or an exception to Section 409A of the Code. For purposes of compliance with Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation, and in no event may you, directly or indirectly, designate the calendar year of any payment under this Agreement. All reimbursements provided under this Agreement shall be provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (a) the amount of expenses eligible for reimbursement during one calendar year shall not affect the amount of expenses eligible for reimbursement in any other calendar year; (b) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the calendar year in which the expense is incurred; and (c) the right to any reimbursement shall not be subject to liquidation or exchange for another benefit. Any tax indemnification payments shall be paid by the Bank to you (or the applicable tax authority as may be agreed between the parties) within five business days of the date the obligation arises and in all events no later than the end of your taxable year next following your taxable year in which the applicable tax (and any income or other related taxes or interest or penalties thereon) are remitted to the applicable taxing authority or, in the case of amounts relating to a claim that does not result in the remittance of any federal, state or local income, social security or other taxes, the calendar year in which the claim is finally settled or otherwise resolved.

8. Miscellaneous

(a) *Tax Withholding.* The Bank may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(b) *Amendment.* This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(c) *Entire Agreement.* This Agreement constitutes the entire agreement of the parties hereto in respect of your employment as the Interim CEO, and effective as of the Effective Date, supersedes all prior

understandings, term sheets or commitments, whether written or oral, relating to the terms and conditions of employment between you and the Bank and its affiliates. For the avoidance of doubt the October 9 Letter shall remain in full force and effect.

(d) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to principles of conflicts of law.

(e) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed as if such invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

(f) *Successors.* This Agreement and any rights and benefits hereunder shall inure to the benefit of and be enforceable by your legal representatives, heirs or legatees. This Agreement and any rights and benefits hereunder shall inure to the benefit of and be binding upon the Bank and its successors and assigns. As used in this Agreement, "Bank" shall mean the Bank as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(g) *Headings.* The headings of this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

[Signature Page Follows]

To confirm the foregoing terms are acceptable to you, please sign this Agreement and return a copy to the Bank.

Very truly yours,

Opus Bank

/s/ Marsha Cameron

Name: Marsha Cameron

Title: Chairman of the Compensation
Committee

Accepted and Agreed
on November 26, 2018:

/s/ Paul G. Greig

Paul G. Greig

Exhibit No. 99.1

Press Release, dated November 27, 2018,



Opus Bank Appoints Paul G. Greig as Interim President and Chief Executive Officer

IRVINE, Calif. – November 27, 2018 – [Opus Bank](#) (NASDAQ: OPB) announced today that Paul G. Greig, who has served as Chairman of the Opus Bank Board of Directors since January 2018, has been appointed Interim President and Chief Executive Officer, effective November 26, 2018. Mr. Greig succeeds Stephen H. Gordon, who resigned as President and Chief Executive Officer of Opus Bank and as a member of Opus Bank’s Board of Directors, effective the same date. Mr. Greig will continue as Chairman of the Board.

The Opus Bank Board of Directors has retained Korn Ferry, a leading executive search firm, to begin immediately the process of identifying a permanent CEO.

Mr. Greig joined Opus Bank’s Board of Directors in April 2017 and was appointed Lead Independent Director in May 2017 before becoming Chairman. He has decades of leadership experience with significant operational and financial expertise, most recently serving as Chairman, President and CEO of FirstMerit Corporation and its wholly owned bank subsidiary, FirstMerit Bank N.A., which operated in five states. During his tenure, FirstMerit grew from \$10 billion to \$26.5 billion in assets, both through organic growth and acquisitions. Mr. Greig also previously served as President and Chief Executive Officer of Charter One Bank, Illinois and President and Chief Executive Officer for Bank One Corporation, Wisconsin and for JPMorgan Chase Wisconsin following its acquisition of Bank One.

“I look forward to working closely with the Opus Bank Board and management team to advance our objectives – enhancing shareholder value and building Opus Bank into one of the leading commercial banks in the western region,” said Mr. Greig. “As one of the market-leading multifamily lenders on the West Coast and with the recent buildout of our Commercial Banking team, we need to more effectively execute on our existing strategic priorities to drive profitability and deepen client relationships as the Bank continues its maturation to the next stage. Most importantly, I am confident in our team’s ability to continue providing our clients with the sophisticated products, solutions and personal service that they have come to expect from us, as well as to giving back to the communities we have the privilege of serving.”

Mark E. Schaffer, Chairman of the Opus Bank Board Nominating and Corporate Governance Committee, said, “The Board believes that new leadership will help restore growth momentum to the Bank, enabling us to deliver strong results consistent with our existing strategic plan while maintaining an appropriate risk profile. In the interim, we are grateful to have a proven leader of Paul’s caliber and experience to step into the CEO role. As Chairman of the Board, Paul already has significant familiarity with our Bank and its strategy and an existing appreciation for Opus Bank’s strengths and dedicated team members. We are confident that Paul is the right person to lead Opus Bank while we focus on selecting a successor CEO to guide Opus Bank through its future growth.”

About Paul G. Greig

Mr. Greig formerly served as Chairman, President and CEO of FirstMerit Corporation and its wholly-owned bank subsidiary, FirstMerit Bank N.A., from 2006 until its merger with Huntington Bancshares Incorporated in August 2016. From 2011 to 2013, Mr. Greig served as a director of the Federal Reserve Bank of Cleveland and from 2014 until 2016 as a Member of the Federal Reserve’s Federal Advisory Council, including as Vice President of the Council in 2016. From 2005 to 2006, Mr. Greig served as President and Chief Executive Officer of Charter One Bank, Illinois. From 1999 to 2005, Mr. Greig served as President and Chief Executive Officer for Bank One Corporation, Wisconsin and for



JPMorgan Chase Wisconsin from 2004 to 2005 following its acquisition of Bank One. Mr. Greig began his banking career with American National Bank in 1978. Mr. Greig's philanthropic and board activities have included serving as Member of the Executive Committee for the Mid-Size Bank Coalition of America, Board Member of the American Bankers Association, Member of the Board of Trustees for the Cleveland Orchestra's Musical Arts Association, and Trustee and Executive Committee Member for the Greater Cleveland Sports Commission. Mr. Greig earned a B.A. in economics from Wheaton College and an M.B.A. from DePaul University.

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About Opus Bank

Opus Bank is an FDIC insured California-chartered commercial bank with \$7.4 billion of total assets, \$5.2 billion of total loans, and \$6.1 billion in total deposits as of September 30, 2018. Opus Bank provides superior ideas and solutions, and banking products to its clients through its Retail Bank, Commercial Bank, and Merchant Bank. Opus Bank offers a suite of treasury and cash management and depository solutions and a wide range of loan products, including commercial, healthcare, media and entertainment, corporate finance, multifamily residential, commercial real estate and structured finance, and is an SBA preferred lender. Opus Bank offers commercial escrow services and facilitates 1031 Exchange transactions through its Escrow and Exchange divisions. Opus Bank provides clients with financial and advisory services related to raising equity capital, targeted acquisition and divestiture strategies, general mergers and acquisitions, debt and equity financing, balance sheet restructuring, valuation, strategy and performance improvement through its Merchant Banking division and its broker-dealer subsidiary, Opus Financial Partners, LLC, Member FINRA/SIPC. Opus Bank's alternative asset IRA custodian subsidiary has approximately \$14 billion of custodial assets and approximately 49,000 client accounts, which are comprised of self-directed investors, financial institutions, capital raisers and financial advisors. Opus Bank operates 48 banking offices, including 29 in California, 16 in the Seattle/Puget Sound region in Washington, two in the Phoenix metropolitan area of Arizona and one in Portland, Oregon. Opus Bank is an Equal Housing Lender. For additional information about Opus Bank, please visit our website: www.opusbank.com.

Forward-Looking Statements

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Deposit Insurance Corporation on March 14, 2018. If one or more of these or other risks or uncertainties materialize, or if Opus Bank's underlying assumptions prove to be incorrect, Opus Bank's actual results may vary materially from those indicated in these statements. These filings are available on the Investor Relations page of Opus Bank's website at: www.opusbank.com.

Opus Bank undertakes no obligation to revise or publicly release any revision to these forward-looking statements, whether as a result of new information, future developments or otherwise.

Contact:

Mr. Brett G. Villaume
SVP, Dir. of Investor Relations
Telephone: (949) 224-8866

Source: Opus Bank

