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BWC Financial discloses additional merger details

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As part of the merger agreement between **First Republic Bank** and **BWC Financial Corp.**, all outstanding BWC stock options that are unvested will vest immediately before the close of the deal, according to a Securities and Exchange Commission filing that lays out additional details on the merger.

BWC (NASDAQ: BWCF), which owns **Bank of Walnut Creek**, entered into a separate agreement to sell its majority interest in BWC Mortgage Services to its joint venture partner, **Simonich Corp.** BWC said in the SEC filing the total cash purchase price for that transaction was just over \$1 million.

BWC stock option holders will receive a cash payment equal to the amount of profit they would have received if they had exercised the options at the exercise price, exchanged the resulting BWC common stock for First Republic common stock and sold the shares at a price equal to the average closing price of First Republic stock in the 10 days preceding the close of the merger.

In 2005, Bank of Walnut Creek's top five executives -- Andrea Head, executive vice president, real estate division, Tom Mantor, president and chief operating officer, Jim Ryan, chairman and CEO, John Sheets, executive vice president and chief credit officer, and Lee Wines, executive vice president and chief financial officer -- each received option grants of 1,500 shares at an exercise price of \$22.64 per share.

At year-end, Head held 13,141 total exercisable and unexercisable options; Mantor held 12,475; Ryan held 16,853; Sheets held 8,607 and Wines held 11,991.

In connection with the merger, First Republic (NYSE: FRC) entered into voting agreements with each of BWC's directors, as well as Wines, the CFO, Sheets, the bank's senior credit officer, and Head, its senior real estate lending officer. The directors and executives agreed to vote in favor of the First Republic-BWC merger and agreed they will not vote their shares in favor of another acquisition transaction.

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