

Bulletin board carries Puget Sound Bank shares

Bank posts stock on exchange

Puget Sound Business Journal (Seattle) - May 18, 2007

by [Justin Matlick](#)

Staff Writer

Reflecting a growing trend among local community banks, Puget Sound Bank has started trading its shares on the over-the-counter bulletin board.

Founded in 2005, the Seattle-based financial institution turned its first profit in last year's fourth quarter, and hopes publicly trading its shares will help increase its visibility while giving shareholders a way to evaluate their investment.

"It's a win-win," said Jim Mitchell, Puget's president and chief executive officer.

"Shareholders get insight into where the bank is trading, and it takes the sales off my desk and gives them to professional brokers."

Until now, shareholders wishing to adjust their stake have had to work through Mitchell, who keeps a list of people interested in buying or selling shares. The company has around 320 shareholders, who own about 2.2 million total shares, Mitchell said.

As of press time, no shares had yet traded on the bulletin board, but Mitchell expects volume to pick up over time. Mitchell said the last trade he mediated before moving to the OTCBB fetched a price of \$14 per share. When Puget was founded two years ago, its shares sold for \$10 each.

Another local community bank listed on the OTCBB, First Sound Bank, now sees around 10,000 shares change hands each month, according to Don Hirtzel, its chairman and chief executive officer. With roughly 2.9 million shares outstanding, First Sound has been trading over-the-counter since the bank opened in summer 2004.

"Our investors are very interested in watching how (the stock) is performing," Hirtzel said.

Bob Rogowski, managing director of corporate finance at Seattle's McAdams Wright Ragen Inc., said Puget Sound Bank's move signals an increasing desire by new, community banks to increase their visibility among potential investors.

"In the past, there was less of a concern about being public or going public," Rogowski said.

While trading on the OTCBB is often a first step toward moving to a larger exchange such as the Nasdaq, Puget Sound's Mitchell said his company wasn't eyeing a larger stage, in part because trading on those exchanges carries higher costs and more government filing requirements.

"I don't see us going to the Nasdaq for many years," Mitchell said.

Contact: jmatlick@bizjournals.com • 206-447-8505x158