



The Network

Who is eavesdropping on your unsecured Wi-Fi connection?

A mischievous 13 year old? Or a skilled hacker 'earning' \$400K a year breaking into computers? Today's sophisticated criminals have businesses with programmers writing malicious software, salespeople selling code or leasing their services, and some even providing dedicated support personnel.

We love our smart phones and Wi-Fi gadgets... and so do hackers. Unfortunately, it's relatively easy to capture sensitive communication through public hotspots or unsecured personal Wi-Fi networks. Emails, passwords, unsecured logins to popular websites, and unencrypted instant messages can be hijacked. Criminals hope to plant viruses and malware while you are out-and-about with your laptop, tablet, smart phone, and other Wi-Fi gadgets, waiting for the opportunity to gain access. Fun new applications can come from third parties with questionable security practices. Or worse, the apps may be created by fraudsters and loaded with malware. People using the same usernames and passwords across multiple e-commerce sites are ultimately giving attackers a 'master' key.

Consider this hypothetical scenario: You download a cool new app while at your local coffee shop over their free Wi-Fi. Later that day, you get a call from someone telling you they are with your bank and they suspect an issue with your account and need you to confirm your user name and password. Unbeknownst to you the criminal, who now has your security credentials, has signed in to your mobile banking account. They then port your phone number and use malware that they loaded onto your Smart phone to eavesdrops on incoming SMS messages and forwards them to another SMS number. When your bank sends the authentication code to your phone via SMS, they can now log in to your online bank account and complete a transaction. All this happens during a brief window of opportunity before you can stop them.

A survey of business owners showed that over 50% feared that a single cyber attack could cost them \$200 - \$400K. That is a big loss. So how do we stop these things from happening? Sci-fi type technologies now exist, including retinal or fingerprint biometrics and voice or facial recognition, but it will be a while before they are widely accessible for these purposes.

For now, here are three simple precautions you can take:

- **Use encrypted networks.** Use a Virtual Private Network (VPN) with WPA or WPA2 security (Never use FTP or other services that aren't encrypted)
- **Use encrypted website connections** (*https* instead of *http*)
- **Never give your password to anyone** (*Financial institutions will not ask for this information*)

We might not know who is watching us, but we can keep our secrets to ourselves.

Fred Bailard
Executive Vice President
Cash Management
Presidio Bank





The Community

Client Profile

THE RELIANT GROUP®

The Reliant Group, located in San Francisco, is a national firm skilled at property investment and management. They are a unique team of investment and management specialists, with deep capabilities in market rate and affordable multifamily housing, focusing on tax exempt finance, tax credits, construction and rehabilitation, and adaptive re-use projects. Their available discretionary capital resources, specialized expertise, and national presence enable them to be sophisticated and aggressive purchasers. Reliant has acquired over \$1.8 billion in assets since 1992, establishing a reputation for uncompromising integrity and performance. The reliability of their process is due to their proprietary funds with sufficient discretionary capital to meet sellers' expectations. They pride themselves on comprehensive valuation skills and unflinching commitment to building lasting relationships based on trust and integrity.

Congratulations

Rosanna Neagle, Vice President of Legal Affairs for Nestle Dreyer's Grand Ice Cream Co. (wife of Presidio Bank Relationship Manager, David Neagle) was a finalist for the Labor and Employment category of the 2014 Silicon Valley Business Journal/San Francisco Business Times Corporate Counsel Awards.



Pinnacle Group (client) specializing in construction of luxury homes, built a 3-story 17,000 sq ft. residence on 1.7 acres in West Atherton near the Menlo Circus Club. This palatial home has grand formal rooms, 6 bedroom suites, an elevator, and a theatre &

wine cellar with tasting room. The property also has a 2-bedroom/1-bath guest house. Presidio Bank provided construction financing for the development of this luxury home.

Architects Jones Haydu (clients) won major international interior design awards for their design of the Coffee Bar.

Private Ocean (client) was listed as #5 on the list of Best Places to Work for small employers by SF Business Times. In addition, its founder, **Richard Stone** (Presidio Bank Advisory Board member), was named chairman of the U.C. Berkeley Financial Planning Program Advisory Board.

Gregory J. Dannis, President of **Dannis Woliver Kelley** (client), was honored with the 2014 California Lawyer Attorney of the Year Award in Education Law.

QOR (client) won the 2014 Polartec APEX Innovation Award for its Alpha Waxed Cotton Jacket recognizing excellence in innovation, function and design.

Serving the Community



Marin Economic Forum (MEF) established a \$200M - \$300M MicroLoan Fund with **Working Solutions** (client). This fund provides a way for lenders to support the underserved community, meet regulatory requirements, and invest in the overall growth and prosperity of their community. Micro-entrepreneurs with limited or no access to conventional financing can use loans to start a business or grow existing businesses. Working Solutions manages the documentation, loans, and payments. Presidio Bank is contributing a low interest \$25,000 loan to the fund.



EAH Housing (client) won a bid to develop an 86-unit affordable apartment complex in Emeryville that will be part of a wave of new housing. The nonprofit developer beat out eight others that submitted proposals to the City of Emeryville.

Ronnie Lott (Presidio Bank Advisory Board member), former San Francisco 49er and football Hall of Famer starred in a video for Positive Coaching Alliance (PCA) spreading the power of a positive sports experience to teach children important life skills and build character.



Notable Libations

Spellbound (client) was named 'Best in Class' for its 2012 Cabernet Sauvignon by the SF Chronicle. This cabernet showcases lush texture and bold dark fruit flavors with a slight hint of oak and spice. Spellbound winery was born of Rob Mondavi Jr.'s desire to craft every day approachable wines from California that are relaxed enough to enjoy every day, yet special enough to celebrate milestone events.



Lagunitas Brewing Company (client) rose in sales ranking among craft breweries to 5th place in 2013 from 17th place in 2010. Overall, craft breweries reached new all-time highs in production volume and dollar sales.



PRESIDIO BANK

New Connections

New Clients



Anderson Yazdi Hwang Minton + Horn is comprised of diverse, highly experienced attorneys delivering sophisticated counsel to high net worth individuals and families, fiduciaries, companies and non-profit organizations in all aspects of personal wealth planning, tax-sensitive asset disposition, trust and estate controversy matters, and fiduciary management. They advise thousands of individual and corporate clients throughout Silicon Valley and the Bay Area, California and nationwide on trust and tax planning, family transactional, as well as dispute-related matters.

Consumer Motor Vehicle Recovery Corporation (CMVRC) is a private, non-profit corporation governed by the California Motor Vehicle Code and was created by the California legislature in 2008. The CMVRC established a Consumer Recovery Fund for the payment of claims by California consumers who suffer losses after July 1, 2008, as a result of bankrupt California licensed dealers or lessor-retailers of motor vehicles.



Diocese of Santa Rosa serves approximately 165,000 Catholics stretched along northern California, from the northern edge of Marin County to the Oregon border. As the Catholic Church of this spectacular region, they are a community that seeks to serve by honoring God's word not only in worship, but in the many ministries of 41 parishes, 17 schools, 2 campus ministries, and varied Catholic organizations, united as brothers and sisters in the family of God.



Highwire Coffee Roasters in Oakland & Emeryville was established in 2011 with the relatively straightforward goal of buying, roasting and blending coffees that they love to share. Their passion for fresh coffee and amazing teas is demonstrated by working hard to deliver a product they believe in and carefully brewing to bring out the best flavor. Their finely tuned roasts are designed to create a body balanced with original character.



QOR, located in Petaluma, is a new men's performance apparel brand that focuses on exceptional design, fit and quality while always maintaining a strong functional core.



LockeHouse Retail Group, Inc. is a highly focused retail brokerage firm which delivers superior service and value to retailers, property owners, and investors. With the strength of experienced principals and strong regional market knowledge, LockeHouse Retail Group provides full-service capabilities catered to the needs of its clients.



My New Red Shoes, founded in 2006, gives the gift of confidence and a sense of normalcy to children who are homeless or living in poverty by providing them with a new pair of athletic shoes and a retail clothing gift card as they start the school year. To date, My New Red Shoes has served more than 21,000 children by rallying adults and teens around the effort through a variety of volunteer and giving opportunities in five Bay Area counties including San Francisco, Alameda, and San Mateo County.



Vince Sigal Electric is an electrical contractor in Santa Rosa, serving the electrical needs of the North Bay region since 2006. With more than 30 years of combined electrical experience, VSE can ably handle any commercial, industrial, residential, solar, manual and fully automated control systems for data communications. The company installs and services low voltage wiring, home theater, thermal imaging, wire and fault locating and repair, high voltage construction and service, off and grid tied solar and wind generators.



Willow Spring Church of Moraga is a non-denominational evangelical Bible driven church committed to carrying out the Great Commission and Great Commandment in worship, fellowship, evangelism, discipleship and service. Their vision is working with God to build effective people who are inspired to excellence and committed to others.

Financial Highlights / First Quarter 2014

Total Assets	\$476 Million
Total Loans	\$385 Million
Total Deposits	\$424 Million
Total Shareholders' Equity	\$ 45 Million
Net Income	\$ 693,000

www.PresidioBank.com

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San Francisco, CA 94104
415.229.8400

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Palo Alto, CA 94301
650.321.0500

North Bay
999 5th Ave. Suite 100
San Rafael, CA 94901
415.456.6000

East Bay
1850 Mt. Diablo Blvd. Suite 640
Walnut Creek, CA 94596
925.287.7880

Future San Mateo Location
400 S. El Camino, Suite 150
San Mateo, CA 94402
650.645.6484

New San Mateo Team

Presidio Bank will expand to San Mateo in late 2014. The Bank hired a team of veteran bankers well known and highly regarded, all previously of Boston Private Bank (formerly Borel Private Bank & Trust Company).



Steve Fick
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With multi-generational roots in the San Mateo community, Steve Fick worked for Boston Private / Borel Bank in various senior roles since 1993. Steve is active in many community and civic organizations on the peninsula including Peninsula Bridge (assisting underserved middle school students), Los Altos Chamber of Commerce, and Los Altos Little League. He holds a Masters in Finance from Golden Gate University and Bachelor's from University of The Pacific.



Claudia Ferguson
SVP/Relationship Manager
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Claudia Ferguson is a reliable, committed, detail-oriented, highly accomplished personal and business banker. She has deep roots in the local San Mateo community. She worked at Boston Private Bank / Borel Bank, Greater Bay Bancorp, Burlingame Bank & Trust, and BfG Bank in Germany. She received a Business Banking Degree with honors from Banking Business School in Germany.



Adam Baughman
VP/Relationship Manager
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Adam Baughman is an experienced relationship-driven business banker, previously of Boston Private / Borel Bank in San Mateo. Adam is also very active with non-profit boards including the Kiwanis Club of Palo Alto and Palo Alto Community Child Care. He received a Bachelors of Science in Business Administration from California State University, Sacramento. Mr. Baughman is also a recipient of The Boy Scouts of America illustrious Eagle Scout Award.