UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

____________________, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. OPUS BANK, STEPHEN H. GORDON, and NICOLE M. CARRILLO, Defendants.	Case No.: **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** **JURY TRIAL DEMANDED**

Plaintiff ______________ ("Plaintiff"), by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, her counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Opus Bank ("Opus" or the "Company"), with the United States ("U.S.") Federal Deposit Insurance Corporation ("FDIC"); (b) review and analysis of press releases and media reports issued by and disseminated by Opus; and (c) review of other publicly available information concerning Opus.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that acquired Opus securities between July 28, 2014, and October 17, 2016, inclusive (the "Class Period"), against Defendants,[1] seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Opus is a publicly traded California-chartered commercial bank.

3. On October 17, 2016, Opus issued a press release entitled "Opus Bank Announces Loan Charge-Offs Will Impact Third Quarter Earnings." Therein, the Company stated that earnings for the third quarter 2016 would include a $0.59 per diluted share impact from loan charge-offs which the Company expected to result in

[1] "Defendants" refers collectively to Opus, Stephen H. Gordon, and Nicole M. Carrillo.

a net loss of approximately $0.05 per diluted share for the third quarter of 2016.

4. On this news, Opus's stock price fell $7.25 per share, or 21%, to close at $27.20 per share on October 17, 2016, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that certain of the Company's loans were of poor quality; (2) that the Company was over-representing the quality of the loans to the public; (3) that, as such, the Company failed to properly account for the loans in violation of Generally Accepted Accounting Principles ("GAAP"); (4) that, as a result, the Company would be forced to recognize large charge-offs associated with the loans; (5) that the Company lacked adequate internal controls over accounting and financial reporting; and (6) that, as a result of the foregoing, Defendants' positive statements about Opus's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated

thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's shares are actively traded within this Judicial District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

11. Plaintiff ________________, as set forth in the accompanying certification, incorporated by reference herein, purchased Opus securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Opus Bank is a California corporation with its principal executive offices located at 19900 MacArthur Blvd., 12th Floor, Irvine, California. During the Class Period, the Company's common stock traded on the NASDAQ Stock Market (the "NASDAQ") under the symbol "OPB."

13. Defendant Stephen H. Gordon ("Gordon") was, at all relevant times, the Chairman of the Board, Chief Executive Officer ("CEO"), and President of Opus.

14. Defendant Nicole M. Carrillo ("Carrillo") was, at all relevant times, the Executive Vice President and Chief Financial Officer ("CFO") of Opus.

15. Defendants Gordon and Carrillo are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Opus's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false

and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

16. The Class Period begins on July 28, 2014. On that day, Opus issued a press release entitled "Opus Bank Announces Second Quarter 2014 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $10.3 million, or $0.32 per diluted share, for the second quarter of 2014 compared with $13.3 million, or $0.45 per diluted share, for the first quarter of 2014 and $18.7 million, or $0.65 per diluted share, for the second quarter of 2013. As a result of the valuation allowance against deferred tax assets in 2013, Opus did not record income tax expense during the first half of 2013. For comparative purposes, pretax income increased by 37% to $36.6 million for the six months ended June 30, 2014 from $26.6 million for the six months ended June 30, 2013. Total assets increased to a record $4.3 billion at June 30, 2014, driven by 44% year over year loan growth and returns remained strong with 1.2% return on average assets and 10.3% return on average tangible equity for the first half of 2014.
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> Quarter and Year to Date 2014 Highlights
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> - Loan originations totaled $338.9 million in the second quarter of 2014, driving our total loans held-for-investment at June 30, 2014 to a record $3.4 billion, an increase of $243.5 million, or 8%, from March 31, 2014 and $1.0 billion, or 43%, from June 30, 2013. Commercial Business and specialty banking divisions represented 31% of loan originations during the second quarter of 2014.
> - The loan origination pipeline at July 1, 2014 grew by 57% from April 1, 2014 and reflects the continued growth and maturation of our Commercial Business and specialty banking divisions, which comprised 58% of the pipeline at July 1, 2014 compared to 36% at April 1, 2014.
> - Strong deposit growth in our retail branches and specialty divisions grew total deposits to a record $3.2 billion at June 30,

2014, an increase of $176.7 million, or 6%, from March 31, 2014 and $855.8 million, or 37%, from June 30, 2013. At June 30, 2014, business deposits represented 40% of total deposits.

- The successful completion of our initial public offering contributed $80.3 million of net proceeds to stockholders' equity in the second quarter of 2014. These proceeds, along with the quarter's retained earnings, increased stockholders' equity to $775.4 million and increased tangible book value per share to $16.49 at June 30, 2014.

- Return on average tangible equity, including the impact of the initial public offering proceeds, was 8.23% for the second quarter of 2014 as compared to 12.67% for the first quarter of 2014 and 12.24% tax adjusted for the second quarter of 2013. On a year-to-date basis, return on average tangible equity was 10.25% for the six months ended June 30, 2014, as compared to 8.94% tax adjusted for the six months ended June 30, 2013.

- Net interest income totaled $37.5 million for the second quarter of 2014 compared to $39.7 million for the first quarter of 2014 and $39.5 million for the second quarter of 2013. During the second quarter of 2014, interest income from our originated loan portfolio increased by 18% from the first quarter of 2014 and by 76% from the second quarter of 2013. Net interest income increased to $77.2 million for the six months ended June 30, 2014 from $68.9 million for the six months ended June 30, 2013. Interest income from the originated loan portfolio comprised 62% of interest income for the six months ended June 30, 2014 as compared to 41% for the same period in 2013.

- The ratio of noninterest expense to average assets declined to 2.4% and 2.4% for the second quarter and six months ended June 30, 2014, respectively, from 3.2% and 3.3% during the second quarter and six months ended June 30, 2013, respectively. Our asset and revenue growth continues to outpace our expense base, which has resulted in an improved efficiency ratio of 56.4% for the six months ended June 30, 2014 compared to 63.3% for the six months ended June 30, 2013. We continue to see the benefits of our ongoing expense management efforts and the scalability of our operating model.

- Asset quality continues to remain strong as nonperforming assets totaled $13.0 million, or 0.30%, of total assets at June 30, 2014 compared to $11.7 million, or 0.29%, at March 31, 2014 and $16.4 million, or 0.51%, at June 30, 2013. Nonaccrual loans increased to $5.7 million at June 30, 2014 from $1.4 million at March 31, 2014 and $3.3 million at June 30, 2013 primarily due to one relationship transferred to nonaccrual during the second quarter of 2014.

- During the second quarter of 2014, we contributed and expensed 1%, or $800,000, of the total net proceeds from the initial public offering to the Opus Community Foundation to continue to fund nonprofit organizations' efforts in building and strengthening the communities that we serve.

- During the first half of 2014, 23 bankers joined Opus across various banking divisions, including Healthcare Banking, Commercial Business Banking, Structured Finance, Correspondent Banking, Small Business Banking, Retail Banking, Corporate Finance, Income Property Banking, and Commercial Real Estate Capital Markets.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "Opus' accomplishments during the first half of the year position us well for a strong second half of 2014 and on into 2015. Our performance included strong growth in loans with contribution from all lines of business, continued growth and improved mix in relationship-based client deposits, strong growth in and improved quality of originated loan interest income, meaningful growth and diversification of our loan origination pipeline, and continued success attracting and hiring high-quality relationship bankers across our banking divisions."

Gordon added, "Our scalable banking model, which is driving improved efficiency and profitability, and our entrepreneurial and niche approach to relationship-based commercial banking, continue to result in Opus being the fastest growing bank in the western United States and among the fastest growing banks in the country."

* * *

Asset Quality

We recorded a recapture of provision for loan losses of $16,000 in the second quarter of 2014 compared to a recapture of $198,000 in the first quarter of 2014 and a provision of $3.1 million in the second quarter of 2013. Provision recapture of $1.4 million on the acquired loan portfolio was recorded during the second quarter of 2014, primarily driven by the sale of $10.4 million in acquired single-family residential loans. A provision for loan losses of $1.4 million was recorded on the originated loan portfolio during the second quarter of 2014 primarily as a result of loan growth during the quarter.

Our allowance for loan losses represented 0.50% of our total loan portfolio at June 30, 2014 as compared to 0.54% at March 31, 2014 and 0.83% at June 30, 2013. Our acquired loan portfolio has a remaining discount of $50.3 million at June 30, 2014, which when added to the allowance for loan losses on the acquired loan portfolio, results in a coverage ratio of 9.19% to total acquired loans. Our allowance for loan losses on originated loans results in a coverage ratio of 0.48% at June 30, 2014. The coverage ratio for the total loan portfolio at June 30, 2014 was 1.95%, a decrease from 2.28% at March 31, 2014 and 3.96% at June 30, 2013 as the originated loan portfolio continues to increase as a percentage of the total loan portfolio.

17. On August 8, 2014, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended June 30, 2014. The Company's Form 10-Q

was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on July 28, 2014.

18. The Form 10-Q contained certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX"), signed by defendants Gordon and Carrillo, who certified the following:

1. I have reviewed this quarterly report on Form 10-Q of Opus Bank;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent

functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

19. On October 27, 2014, Opus issued a press release entitled "Opus Bank Announces Third Quarter 2014 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $7.7 million, or $0.24 per diluted share, for the third quarter of 2014 compared with $10.3 million, or $0.32 per diluted share, for the second quarter of 2014 and $109.4 million, or $3.79 per diluted share, for the third quarter of 2013. The reduction in net income as compared to the second quarter of 2014 was mainly due to an $892,000 lower recapture of provision expense on our acquired loan portfolio and the addition of $2.3 million of provision expense related to specific loan relationships. Net income for the three months ended September 30, 2013 included the release of the valuation allowance on our deferred tax assets. Pre-tax pre-provision earnings increased to $17.0 million for the third quarter of 2014 from $16.3 million in the second quarter of 2014 and $8.5 million in the third quarter of 2013. For comparative purposes, pre-tax pre-provision earnings increased by 44% to $53.4 million for the nine months ended September 30, 2014 from $37.2 million for the nine months ended September 30, 2013.
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> Quarter and Year to Date 2014 Highlights
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> - Total assets increased 9% to a record $4.7 billion at September 30, 2014 from $4.3 billion at June 30, 2014 and $3.5 billion at September 30, 2013 due to continued strong loan and deposit growth.
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> - New loan fundings totaled a record $455.4 million in the third quarter of 2014, an increase of 34% from $338.9 million in the

second quarter of 2014 and 45% from $313.7 million in the third quarter of 2013. Commercial Business and specialty banking divisions represented 46% of loan fundings during the third quarter of 2014 as compared to 31% during the second quarter of 2014. Loan commitments of $511.7 million were originated during the third quarter of 2014 compared to $433.5 million in the second quarter of 2014 and $381.2 in the third quarter of 2013. At September 30, 2014, our originated loan portfolio comprises 86% of our total loan portfolio.

- Total loans held-for-investment reached a record $3.7 billion at September 30, 2014, an increase of $311.1 million or 9% from June 30, 2014 and $1.1 billion or 42% from September 30, 2013.

- Asset quality continues to remain strong with nonperforming assets of $12.7 million, or 0.27%, of total assets at September 30, 2014 consistent with $13.0 million, or 0.30%, at June 30, 2014 and a decrease from $15.1 million, or 0.43%, at September 30, 2013. Provision expense during the third quarter of 2014 increased to $4.5 million compared to a recapture of $16,000 for the second quarter of 2014 and recapture of $1.2 million for the third quarter of 2013. The increase during the current quarter was driven by an $892,000 lower recapture of provision on our acquired loan portfolio, $1.6 million of specific reserves added for three nonperforming loans and a $713,000 increase in reserves for four loan relationships downgraded during the quarter. Each of these loan relationships remains current at September 30, 2014.

- The loan origination pipeline remains strong entering the fourth quarter of 2014 and continues to reflect the maturation of our Commercial Business and specialty banking divisions, which comprise 46% of our pipeline at October 1, 2014.

- Strong deposit growth in the Commercial, Retail and Correspondent Banks grew total deposits to $3.5 billion at September 30, 2014, a record increase of $352.6 million, or 11%, from June 30, 2014 and $1.0 billion, or 41%, from September 30, 2013. Noninterest-bearing deposits grew by 12% to $608.2 million during the current quarter from $544.1 million at the end of the second quarter of 2014, which outpaced the growth in our total deposit base. Our loan to deposit ratio declined to 106% at September 30, 2014 from 108% at June 30, 2014.

- Efficiency ratio improved to 59.6% during the third quarter of 2014 from 60.9% in the second quarter of 2014 and 72.8% in the third quarter of 2013. On a year-to-date basis, our efficiency ratio improved to 57.5% during the first nine months of 2014 from 66.0% during the first nine months of 2013.

- The ratio of noninterest expense to average assets declined to 2.2% in the third quarter of 2014 from 2.4% in the second quarter of 2014 and 2.7% in the third quarter of 2013. On a year-to-date basis, our ratio of noninterest expense to average assets decreased to 2.3% during the first nine months of 2014 from 3.1% during the first nine months of 2013.

- Net interest income increased to $38.3 million during the third quarter of 2014 from $37.5 million for the second quarter of 2014 and $30.1 million for the third quarter of 2013. During the third quarter of 2014, interest income from our originated loan portfolio increased by 11% from the second quarter of 2014 and 65% from the third quarter of 2013. Interest income from our originated loan portfolio made up 75% of total interest income from loans during the third quarter of 2014 as compared to 69% during the second quarter of 2014 and 59% during the third quarter of 2013. Net interest income increased to $115.5 million for the nine months ended September 30, 2014 from $99.0 million for the nine months ended September 30, 2013, mainly due to the 71% increase in interest income from originated loans during the comparable periods. Interest income from our originated loan portfolio comprised 66% of interest income from loans for the nine months ended September 30, 2014 as compared to 46% for the same period in 2013.

- Our Merchant Bank recorded advisory fees of $957,000 during the third quarter of 2014, which are reflected in noninterest income.

- Return on average tangible equity was 5.8% for the third quarter of 2014 as compared to 8.2% for the second quarter of 2014 and 6.1% tax adjusted for the third quarter of 2013. On a year-to-date basis, return on average tangible equity was 8.6% for the nine months ended September 30, 2014, as compared to 8.0% tax adjusted for the nine months ended September 30, 2013.

- Our tangible book value per as converted common share at September 30, 2014 was $16.80, an increase of 2% from $16.49 at June 30, 2014 and 18% from $14.19 at September 30, 2013.

- During the three months ended September 30, 2014, 11 bankers joined Opus across various banking divisions, including Healthcare Banking, Commercial Business Banking, Small Business Banking, Corporate Finance, Income Property Banking, and Structured Finance.

Stephen H. Gordon, founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "Opus' accomplishments during the first nine months position us well for a strong fourth quarter of 2014 and for the year 2015. All of Opus' banking divisions contributed to our record growth in new loan fundings, relationship-based deposits and fee income and we see this growth continuing based on our strong current pipeline." Gordon added, "While we increased our allowance for loan losses related to a few specific loan relationships during the quarter, our overall asset quality continued to be stellar as evidenced by our low and declining non-performing assets ratio resulting from our disciplined underwriting processes and credit culture." Gordon concluded, "Our strong and diverse niche focus, driven by our entrepreneurial approach, resonates among all of Opus' constituents and continues to result in Opus being the fastest-growing bank in the Western U.S."

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Asset Quality

We recorded a provision for loan losses of $4.5 million in the third quarter of 2014 compared to a recapture of $16,000 in the second quarter of 2014 and recapture of $1.2 million in the third quarter of 2013. A provision recapture of $509,000 on the acquired loan portfolio was recorded during the third quarter of 2014 compared to a recapture of $1.4 million in the prior quarter that was primarily driven by improved expected cash flows and credit performance. A provision for loan losses of $5.1 million was recorded on the originated loan portfolio during the third quarter of 2014. The increase in provision for loan losses was primarily driven by $1.6 million of specific reserves established for three impaired loan relationships, $713,000 related to downgrades of four originated loan relationships during the quarter and overall loan growth in the originated portfolio. We believe that the drivers of the three impaired loan relationships are not pervasive to our overall asset quality and evidence our underwriting methodology,

> which promotes frequent client interaction and proactive recognition of changing risk profiles. We continue to experience strong asset quality as evidenced by the stable balance of nonperforming assets and continued decline in nonperforming assets to total assets to 0.27% as of September 30, 2014 from 0.30% at June 30, 2014 and 0.43% at September 30, 2013.
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> Our allowance for loan losses represented 0.58% of our total loan portfolio at September 30, 2014, as compared to 0.50% at June 30, 2014 and 0.70% at September 30, 2013. Our acquired loan portfolio has a remaining discount of $47.1 million at September 30, 2014, which when added to the allowance for loan losses on the acquired loan portfolio, results in a coverage ratio of 8.99% to total acquired loans. Our allowance for loan losses on originated loans results in a coverage ratio of 0.58% at September 30, 2014. The coverage ratio for the total loan portfolio at September 30, 2014 was 1.82%, a decrease from 1.95% at June 30, 2014 and 3.45% at September 30, 2013, declining as the originated loan portfolio continues to increase as a percentage of the total loan portfolio.

20. On November 7, 2014, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended September 30, 2014. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on October 27, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

21. On January 26, 2015, Opus issued a press release entitled "Opus Bank Announces Fourth Quarter and Year End 2014 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $12.6 million, or $0.38 per diluted share, for the fourth quarter of 2014 and $43.8 million, or $1.38 per diluted share, for the year ended December 31, 2014 as compared to $7.7 million, or $0.24 per diluted share, for the third quarter of 2014 and $143.1 million, or $4.96 per diluted share, for the year ended December 31, 2013.

Additionally, Opus announced today that its Board of Directors has approved the initiation and declaration of a quarterly cash dividend of $0.05 per common share payable on February 19, 2015 to common stockholders and to its Series A Preferred stockholders of record as of February 5, 2015.

Quarter and Year End 2014 Highlights

- Total assets increased to a record $5.1 billion at December 31, 2014 from $4.7 billion at September 30, 2014 and $3.7 billion at December 31, 2013 due to continued strong loan and deposit growth.

- New loan fundings totaled a record $572.7 million in the fourth quarter of 2014, an increase of 26% from $455.4 million in the third quarter of 2014 and 68% from $341.0 million in the fourth quarter of 2013. For the full year 2014, new loan fundings totaled $1.8 billion as compared to $1.1 billion during 2013. Loan fundings from the Commercial Business and specialty banking divisions represented 36% of loan fundings during the fourth quarter and full year of 2014. Loan commitments of $613.1 million were originated during the fourth quarter of 2014 compared to $511.7 million in the third quarter of 2014 and $350.0 in the fourth quarter of 2013.

- Our originated loan portfolio increased by a record $400.1 million, net of paydowns, or 12%, during the fourth quarter of 2014 and $1.4 billion, or 63%, during the full year 2014. At December 31, 2014, our originated loan portfolio totaled $3.6 billion and comprised 89% of our total loan portfolio. Total loans held-for-investment reached a record $4.1 billion at December 31, 2014, an increase of $357.4 million, or 10%, from September 30, 2014 and $1.2 billion, or 43%, from December 31, 2013.

- Our loan origination pipeline continues to reflect a higher mix of loans from our Commercial Business and specialty banking divisions, which comprised 57% of our pipeline at January 1, 2015, compared to 46% at October 1, 2014.

- Total deposits grew to a record $3.8 billion at December 31, 2014, an increase of $290.2 million, or 8%, from September 30, 2014, and $1.1 billion, or 38%, from December 31, 2013, fueled by strong contribution from our Retail Bank, Correspondent Bank and specialty banking divisions, including Technology and Fiduciary Banking. Our cost of funds was 0.57% for the fourth quarter of 2014, unchanged from the prior quarter, and 0.56% for the full year 2014.

- Net interest margin expanded 6 basis points to 3.85% for the fourth quarter of 2014 from 3.79% in the third quarter of 2014. Contractual net interest margin, which excludes the impact of accretion and amortization of acquisition discounts and premiums, remained constant at 3.37% for both the fourth and third quarters of 2014.

- Net interest income increased to $42.2 million during the fourth quarter of 2014 from $38.3 million for the third quarter of 2014, driven by an 11% increase in interest income from the originated loan portfolio. Net interest income increased to $157.7 million for the year ended December 31, 2014 from $131.6 million for the year ended December 31, 2013, mainly due to a 69% increase in interest income from originated loans during 2014. Interest income from our originated loan portfolio comprised 69% of loan interest income for the year ended December 31, 2014 as compared to 50% for the year ended 2013.

- Asset quality continued to remain strong as nonperforming assets declined to $10.5 million, or 0.21% of total assets, at December 31, 2014 from $12.7 million, or 0.27%, at September 30, 2014 and $14.9 million, or 0.40%, at December 31, 2013. Provision expense during the fourth quarter of 2014 decreased to $1.5 million from $4.5 million for the third quarter of 2014.

- The efficiency ratio improved to 57.25% during the fourth quarter of 2014 from 59.62% in the third quarter of 2014 and to 57.40% for the full year 2014 from 70.62% for the full year 2013.

- The ratio of noninterest expense to average assets declined to 2.12% in the fourth quarter of 2014 from 2.20% in the third quarter of 2014. On a year-to-date basis, our ratio of noninterest expense to average assets decreased to 2.24% during 2014 from 3.14% during 2013.

- As a result of the valuation allowance against deferred tax assets, Opus did not record income tax expense during 2013. For comparative purposes, pretax income increased by 57% to $66.9 million for the year ended December 31, 2014 from $42.6 million for the year ended December 31, 2013. During the fourth quarter of 2014, an adjustment to our deferred tax assets was recorded that resulted in $1.4 million of tax benefit and a one-time reduction of our quarterly effective tax rate.

- Return on average tangible equity was 8.15% tax adjusted for the fourth quarter of 2014 as compared to return on average tangible equity of 5.77% for the third quarter of 2014. Tax adjusted return on average tangible equity was 8.48% for the year ended December 31, 2014 as compared to 6.53% for the year ended December 31, 2013.

- Return on average assets increased to 0.91% tax adjusted for the fourth quarter of 2014 as compared to return on average assets of 0.68% for the third quarter of 2014. Tax adjusted return on average assets for the full year 2014 increased to 0.97% as compared to 0.85% for full year 2013.

- Our tangible book value per as converted common share at December 31, 2014 increased by $0.47 to $17.27 from $16.80 at September 30, 2014 and by $2.82 from $14.45 at December 31, 2013.

- Capital ratios remain strong at 11.29% Tier 1 leverage, 13.26% Tier 1 risk-based capital and 13.87% total risk-based capital at December 31, 2014.

Stephen H. Gordon, Chairman, Chief Executive Officer and President of Opus Bank, stated, “We’re proud of our fourth quarter performance as every metric continued to show meaningful improvement driven by contributions from every division within Opus and increasing demand for Opus' dynamic solutions-based advisory approach. Our strong growth, record new loan fundings, high quality deposits, continued disciplined and unwavering approach to credit, strong capital ratios and scalable business have us confident in our prospects as we enter 2015." Gordon concluded, "As Opus continues to successfully grow, we're pleased to declare Opus' initial quarterly cash dividend, which reflects the strength and maturation of our business and is an action we believe will further enhance shareholder value."

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<u>Asset Quality</u>

We recorded a provision for loan losses of $1.5 million in the fourth quarter of 2014 compared to a provision of $4.5 million in the third quarter of 2014. A provision recapture of $111,000 on the acquired loan portfolio was recorded during the fourth quarter of 2014 compared to a recapture of $509,000 in the prior quarter that was primarily driven by improved expected cash flows and credit performance. A provision for loan losses of $1.6 million was recorded on the originated loan portfolio during the fourth quarter of 2014 compared to a provision of $5.1 million in the third quarter of 2014. Provision for loan losses on the originated portfolio for the fourth quarter of 2014 was driven primarily by overall loan growth and improvement in certain impaired loan relationships. We continue to experience strong asset quality as evidenced by the continued decline in nonperforming assets to $10.5 million as of December 31, 2014 from $12.7 million as of September 30, 2014 and $14.9 million as of December 31, 2013. The ratio of nonperforming assets to total assets decreased to 0.21% as of December 31, 2014 from 0.27% at September 30, 2014 and 0.40% at December 31, 2013.

Our allowance for loan losses represented 0.56% of our total loan portfolio at December 31, 2014, as compared to 0.58% at September 30, 2014 and 0.61% at December 31, 2013. Our acquired loan portfolio has a remaining discount of $43.5 million at December 31, 2014, which when added to the allowance for loan losses on the acquired loan portfolio results in a coverage ratio of 9.07% to total acquired loans. Our allowance for loan losses on originated loans results in a coverage ratio of 0.56% at December 31, 2014, a decrease of two basis points from September 30, 2014, due to improvement in two impaired loan relationships that required lower specific reserves. The coverage ratio for the total loan portfolio at December 31, 2014

> was 1.61%, a decrease from 1.82% at September 30, 2014 and 2.98% at December 31, 2013, declining as the originated loan portfolio continues to increase as a percentage of the total loan portfolio.

22. On February 27, 2015, Opus filed its Annual Report with the FDIC on Form 10-K for the fiscal year ended December 31, 2014. The Company's Form 10-K was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on January 26, 2015. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

23. On April 27, 2015, Opus issued a press release entitled "Opus Bank Announces First Quarter 2015 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $11.1 million, or $0.34 per diluted share, for the first quarter of 2015 compared with $12.5 million, or $0.38 per diluted share, for the fourth quarter of 2014 and $13.2 million, or $0.45 per diluted share, for the first quarter of 2014. Total assets increased to a record $5.6 billion at March 31, 2015 due to strong loan and deposit growth. Additionally, Opus announced today that its Board of Directors approved increasing its quarterly cash dividend by 40% to $0.07 per share payable on May 21, 2015 to common and preferred stockholders of record as of May 7, 2015.
>
> <u>First Quarter 2015 Highlights</u>
>
> - Net interest margin increased two basis points to 3.87% for the first quarter of 2015 from 3.85% in the fourth quarter of 2014 and decreased from 4.87% in the first quarter of 2014. Contractual net interest margin, which excludes the impact of accretion and amortization of acquisition discounts and premiums, increased nine basis points to 3.46% from 3.37% in the fourth quarter of 2014 and decreased by one basis point from 3.47% in the first quarter of 2014. Commercial Banking along with Fiduciary, Correspondent, Technology and Healthcare Banking, Structured and Corporate Finance, Institutional Syndications and Commercial Depository Services (our "Specialty Banking Divisions") continue to benefit our net interest margin through the contribution of higher yields on loan

originations and low- or no-cost core deposits.

- New loan fundings totaled $468.4 million in the first quarter of 2015, an increase of 4% from $451.0 million in the first quarter of 2014 and a decrease of 18% from $572.7 million in the fourth quarter of 2014. Commercial Banking and Specialty Banking Divisions represented 58% of new loan fundings during the current quarter as compared to 36% during the fourth quarter of 2014. As a result of the continued strategic shift in the mix, the weighted average rate on new loan fundings during the first quarter was 4.55%, an increase of 32 basis points from the prior linked quarter to the highest weighted average rate on new loan fundings since the fourth quarter of 2011. Loan commitments of $526.6 million were originated during the first quarter of 2015 compared to $613.1 million in the fourth quarter of 2014 and $514.0 million in the first quarter of 2014.

- Our originated loan portfolio grew by $312.2 million to $3.9 billion at March 31, 2015, an increase of 8.6% from December 31, 2014 and 51.2% from March 31, 2014. The yield on our originated loan portfolio increased 12 basis points to 4.35% for the first quarter of 2015 compared to 4.23% in the prior quarter and increased 11 basis points from 4.24% for the first quarter of 2014. Total loans held-for-investment, which includes our acquired loan portfolio, grew at a 29.3% compound annual rate to a record $4.4 billion at March 31, 2015.

- Loans from our Commercial Banking and Specialty Banking Divisions increased to 59% of our loan origination pipeline at April 1, 2015 compared to 57% at January 1, 2015.

- On March 31, 2015, Opus closed on the acquisition of Commerce Escrow Company ("CEC"), the premier Los Angeles-based escrow company focused on commercial business and commercial real estate transactions, and RPM Investments Inc. ("RPM"), a leading accommodator for tax-deferred commercial exchanges under Section 1031 of the Internal Revenue Code, in a 45% cash and 55% stock transaction totaling $25 million. CEC and RPM will operate as divisions of Opus Bank and will be reported as part of our Specialty Banking Divisions beginning April 1, 2015.

- Total deposits grew $530.0 million, or 14.0%, to a record $4.3 billion at March 31, 2015. Noninterest bearing plus interest bearing demand deposits ("total demand deposits") increased by $537.2 million, or 63%, to $1.4 billion and comprised 32% of total deposits as of March 31, 2015, up from 22% at December 31, 2014. Business-related deposits increased to 43% of total deposits at March 31, 2015, up from 37% at December 31, 2014. As of March 31, 2015, deposit balances associated with the CEC and RPM divisions totaled $336.4 million and have increased further to $455.0 at April 23, 2015. Deposits related to our Commercial Banking and Specialty Banking Divisions increased by $163.0 million during the first quarter of 2015, up 23% from December 31, 2014. Our cost of deposits declined three basis points from the fourth quarter of 2014 to 0.54% for the first quarter of 2015. The weighted average rate on our deposits declined further to 0.51% as of March 31, 2015, three basis points lower than the first quarter average.

- Our loan-to-deposit ratio declined to 101% at March 31, 2015 from 108% at December 31, 2014 and 107% at March 31, 2014.

- Due to the improved margin, mix and duration in both our loan and deposit portfolios, our interest rate sensitivity improved meaningfully during the quarter showing asset sensitive results under all of our interest rate modeling scenarios.

- Net interest income increased at a 31.8% compound annual rate to $45.2 million during the first quarter of 2015 from $42.2 million for the fourth quarter of 2014 and $39.7 million for the first quarter of 2014. During the first quarter of 2015, interest income from our originated loan portfolio increased by $4.1 million from the fourth quarter of 2014 and $15.5 million from the first quarter of 2014 due to continued originated loan growth and higher yields. Interest income from the acquired loan portfolio declined by $751,000 from the fourth quarter of 2014 and $8.8 million from the first quarter of 2014 due to lower average balances and lower accretion income incurred from closed loans and payoffs.

- Noninterest income during the first quarter of 2015 was $3.3 million, an increase of $88,000 from the fourth quarter of 2014 and $1.3 million from the first quarter of 2014, and included $492,000 of advisory fee income earned by our Merchant Bank and broker-dealer subsidiary, Opus Financial Partners.

- Our efficiency ratio was 55.2% during the first quarter of 2015, an improvement from 57.1% in the fourth quarter of 2014 and an increase from 51.7% during the first quarter of 2014. Our ratio of noninterest expense to average assets remained constant at 2.1% on a linked quarter basis and improved from 2.3% in the first quarter of 2014. Costs associated with the acquisition of CEC and RPM totaling $271,000 and a litigation settlement expense of $250,000 were included in noninterest expense for the first quarter of 2015.

- Return on average tangible equity was 8.06% for the first quarter of 2015 as compared to 8.11% tax adjusted for the fourth quarter of 2014 and 12.66% for the first quarter of 2014. Return on average assets was 0.85% for the first quarter of 2015 as compared to 0.90% tax adjusted for the fourth quarter of 2014 and 1.41% for the first quarter of 2014.

- Asset quality continued to remain strong with nonperforming assets totaling $12.7 million, or 0.23% of total assets, at March 31, 2015. Provision expense during the first quarter of 2015 increased to $3.6 million compared to $1.5 million for the fourth quarter of 2014 and a $198,000 recovery in the first quarter of 2014. The current quarter provision was driven by loan growth, changes in specific reserves and risk rating changes. Our ratio of allowance for loan losses to total loans increased to 0.57% as of March 31, 2015 and was 1.45% when including the $39.0 million remaining discount on the acquired loan portfolio.

- Our tangible book value per as converted share at March 31, 2015 was $17.08 compared to $17.26 at December 31, 2014. The decrease was due to the issuance of 449,273 shares of Opus' common stock as partial consideration for, as well as $23.6 million in goodwill created as a result of the acquisition of CEC and RPM. Excluding the impact of the acquisition, tangible book value per as converted common share was $17.63 at March 31, 2015.

Stephen H. Gordon, founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "We're proud of our first quarter performance which was driven by significant accomplishments throughout Opus. As we continue to execute, scale and mature the business, we're seeing the impact across the board, including through meaningful growth of our client base in every division." Gordon concluded, "Given our metrics, where Opus was positioned at quarter end and line of sight into our growth through the remainder of 2015 and into 2016, we are pleased to announce today that the Board of Directors has approved increasing our quarterly cash dividend by 40% to $0.07 per share, which reflects our strong capital position, liquidity, increasing earnings power, continued maturation of our business and confidence in our ability to execute our business strategy and growth plans."

* * *

<u>Asset Quality</u>

We recorded a provision for loan losses of $3.6 million in the first quarter of 2015 compared to provision expense of $1.5 million in the fourth quarter of 2014 and a $198,000 recovery in the first quarter of 2014. Provision recapture on the acquired loan portfolio totaled $202,000 in the first quarter of 2015, $111,000 during the fourth quarter of 2014, and $1.5 million in the first quarter of 2014, due to continued improvement in expected cash flows and credit performance. A provision for loan losses of $3.8 million was recorded on the originated loan portfolio during the first quarter of 2015 compared to $1.6 million in the fourth quarter of 2014 and $1.3 million in the first quarter of 2014. The provision for loan losses during the current quarter was comprised of $1.9 million for portfolio growth and $1.9 million for changes in specific reserves, risk ratings and loss factors. We continue to experience strong asset quality as our loan portfolio continues to season evidenced by the low balance of nonperforming assets and stable ratio of nonperforming assets to total assets of 0.23% as of March 31, 2015, compared to 0.21% at December 31, 2014 and 0.29% at March 31, 2014.

Our allowance for loan losses represented 0.57% of our total loan portfolio at March 31, 2015, as compared to 0.56% at December 31, 2014 and 0.54% at March 31, 2014. Our acquired loan portfolio has a remaining discount of $39.0 million at March 31, 2015. The coverage

> ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at March 31, 2015 was 1.45%, a decrease from 1.61% at December 31, 2014 and 2.28% at March 31, 2014, declining as the originated loan portfolio continues to increase as a percentage of the total loan portfolio. Our allowance for loan losses on originated loans resulted in a coverage ratio of 0.57% at March 31, 2015, an increase from 0.56% at December 31, 2014 and 0.48% at March 31, 2014.

24. On May 8, 2015, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended March 31, 2015. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on April 27, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

25. On July 27, 2015, Opus issued a press release entitled "Opus Bank Announces Second Quarter 2015 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $17.5 million, or $0.52 per diluted share, for the second quarter of 2015 compared with $11.1 million, or $0.34 per diluted share, for the first quarter of 2015 and $10.3 million, or $0.32 per diluted share, for the second quarter of 2014. Net income increased by 21% to $28.6 million for the six months ended June 30, 2015 from $23.5 million for the six months ended June 30, 2014. Total assets increased to a record $5.8 billion at June 30, 2015, driven by 35% loan growth and 46% deposit growth year over year. Additionally, Opus announced that its Board of Directors approved increasing its quarterly cash dividend by 43% to $0.10 per share payable on August 20, 2015 to common and preferred shareholders of record as of August 6, 2015.
>
> <u>Quarter and Year to Date 2015 Highlights</u>
>
> - Total revenues increased 30% to $63.1 million for the second quarter of 2015 compared to $48.5 million for the first quarter of 2015 and increased 51.7% compared to $41.6 million for the second quarter of 2014. Total revenues increased 34% to $111.5 million for the six months ended June 30, 2015 from $83.3 million during the six months ended June 30, 2014.

- Net interest income increased 22% to $55.0 million for the second quarter of 2015 compared to $45.2 million for the first quarter of 2015 and increased 47% from $37.5 million for the second quarter of 2014. During the second quarter of 2015, interest income from our originated loan portfolio increased by $3.2 million, or 8%, from the first quarter of 2015 and by $14.3 million, or 49%, from the second quarter of 2014. Interest income from the acquired loan portfolio increased to $16.9 million for the second quarter of 2015 from $10.6 million in the first quarter of 2015 and from $13.1 million for the second quarter of 2014. During the second quarter of 2015, we continued to opportunistically manage the acquired loan portfolio and recognized $10.1 million of accretion income from loans that closed through prepayment, foreclosure and sale, including the sale of $35.7 million of acquired loans that generated $8.2 million of accretion income. Net interest income increased 30% to $100.2 million for the six months ended June 30, 2015 from $77.2 million for the six months ended June 30, 2014.

- Noninterest income during the second quarter of 2015 increased to $8.1 million from $3.3 million in the first quarter of 2015 and $4.1 million in the second quarter of 2014. Noninterest income during the second quarter included $1.7 million in fees generated through our new Escrow and Exchange divisions, $779,000 of fee income from our Real Estate Capital Markets group and $856,000 of advisory fee income and net equity warrant valuation adjustments from our Merchant Banking division, which includes our broker-dealer subsidiary Opus Financial Partners. Noninterest income for the second quarter of 2015 also included a special dividend of $804,000 from the Federal Home Loan Bank (“FHLB”). Noninterest income increased to $11.4 million for the six months ended June 30, 2015 from $6.0 million for the six months ended June 30, 2014.

- Net interest margin increased 42 basis points to 4.29% for the second quarter of 2015 from 3.87% in the first quarter of 2015 and 4.04% in the second quarter of 2014. Contractual net interest margin, which excludes the impact of accretion and amortization of acquisition discounts and premiums, decreased eight basis points to 3.38% in the second quarter of 2015 from 3.46% in the first quarter of 2015 primarily due to day count, prepayment fees and decline in the acquired loan portfolio. Net interest margin decreased 34 basis points to 4.09% for the six months ended June 30, 2015 from 4.43% for the six months ended June 30, 2014 due to lower contribution from the acquired loan portfolio.

- New loan fundings totaled $543.8 million in the second quarter of 2015, an increase of 16% from $468.4 million in the first quarter of 2015 and an increase of 60% from $338.9 million in the second quarter of 2014. The weighted average rate on new loan fundings during the second quarter of 2015 was 4.34% compared to 4.55% during the first quarter of 2015 and 4.35% during the second quarter of 2014. Commercial and Specialty

Banking divisions represented 47% of new loan fundings during the second quarter of 2015, continuing the strategic shift in the mix of loans that has resulted in 6 basis points expansion in the yield on our originated loan portfolio for the first six months of 2015 compared to the same period in 2014. Loan commitments of $598.9 million were originated during the second quarter of 2015, an increase of 14% from $526.6 million in the first quarter of 2015 and 38% from $433.5 million during the second quarter of 2014.

- Our originated loan portfolio grew by $332.9 million to $4.3 billion at June 30, 2015, an increase of 8% from March 31, 2015 and 48% from June 30, 2014. Total loans held-for-investment, which includes our acquired loan portfolio, increased by $272.0 million, or 6%, during the second quarter to a record $4.6 billion and increased by $1.2 billion, or 35%, from June 30, 2014.

- The loan origination pipeline at July 1, 2015 grew by 30% from April 1, 2015 and reflects the continued growth and maturation of our Commercial and Specialty Banking divisions, which comprised 58% of the pipeline on July 1, 2015.

- Total deposits grew $265.5 million, or 6%, during the second quarter to a record $4.6 billion at June 30, 2015. Noninterest bearing plus interest bearing demand deposits ("total demand deposits") increased by $226.4 million, or 16%, to $1.6 billion and comprised 35% of total deposits as of June 30, 2015, up from 32% at March 31, 2015. As of June 30, 2015, deposit balances associated with our Escrow and Exchange divisions totaled $521.1 million, an increase of $184.7 million from March 31, 2015. Deposits related to our Commercial and Specialty Banking divisions, including Escrow and Exchange, increased by $324.6 million during the second quarter of 2015, up 27% from March 31, 2015. Our cost of deposits declined five basis points from the first quarter of 2015 to 0.49% for the second quarter of 2015.

- Our loan-to-deposit ratio was unchanged from the prior quarter at 101% as of June 30, 2015.

- Our balance sheet is well positioned for rising interest rates as it continues to remain asset sensitive as of June 30, 2015. The mix, duration, repricing characteristics, amortization schedules and increased cash flows related to our loan and deposit portfolios result in positive outcomes under all our interest rate modeling scenarios.

- Our efficiency ratio improved to 45.3% for the second quarter of 2015 and 49.6% for the six months ended June 30, 2015 from 60.7% and 56.2% for the quarter and six months ended June 30, 2014, respectively. Noninterest expense to average assets decreased to 2.0% in the second quarter of 2015 compared to 2.1% during the first quarter of 2015 and 2.4% during the second quarter of 2014. Noninterest expense to average assets decreased to 2.0% for the six months ended June 30, 2015 from 2.3% for the six months ended June 30, 2014.

- Return on average tangible equity increased to 12.5% for the second quarter of 2015 as compared to 8.1% for the first quarter of 2015 and 8.2% for the second quarter of 2014. Return on average tangible equity was 10.3% for the six months ended June 30, 2015, unchanged from the same period in 2014. Return on average assets was 1.23% for the second quarter of 2015 compared to 0.85% for the first quarter of 2015 and 0.97% for the second quarter of 2014. Return on average assets was 1.05% for the six months ended June 30, 2015 as compared to 1.18% for the six months ended June 30, 2014.

- Asset quality continues to remain strong with nonperforming assets totaling $12.6 million, or 0.22%, of total assets at June 30, 2015 compared to $12.7 million, or 0.23%, at March 31, 2015 and $13.0 million, or 0.30%, at June 30, 2014. Provision expense for the second quarter of 2015 was $5.8 million compared to $3.6 million for the first quarter of 2015. The current quarter provision was driven by loan growth and changes in specific reserves and individual risk ratings. Our ratio of allowance for loan losses to total loans increased to 0.66% as of June 30, 2015 and our coverage ratio was 1.22%, which includes the $26.1 million remaining discount on the acquired loan portfolio.

- Our tangible book value per as-converted share at June 30, 2015 increased to $17.48 from $17.08 at March 31, 2015 and $16.49 at June 30, 2014.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "We are proud of our second quarter results, which were driven by the continued growth and maturation of all divisions within Opus and the continued out-performance of our loan and deposit portfolios. This quarter experienced a significant increase in revenues from numerous spread and fee income sources and achieved continued improved efficiency, displaying Opus' meaningful scalability and client demand for our solutions-based approach and breadth of capabilities." Gordon concluded, "Given where Opus was positioned at quarter-end and line of sight into our growth through the remainder of 2015 and into 2016, we are pleased to announce today that the Board of Directors has approved increasing our quarterly cash dividend by 43% to $0.10 per share, which reflects our strong capital position, asset quality, liquidity, increasing earnings power and return metrics, and confidence in our ability to execute our business strategy and growth plans."

* * *

Asset Quality

We recorded a provision for loan losses of $5.8 million in the second quarter of 2015 compared to provision expense of $3.6 million in the first quarter of 2015 and a provision recapture of $16,000 in the second quarter of 2014. Provision recapture on the acquired loan portfolio totaled $387,000 in the second quarter of 2015, $202,000 during the

> first quarter of 2015 and $1.4 million in the second quarter of 2014 due to continued improvement in expected cash flows and credit performance. A provision for loan losses of $6.2 million was recorded on the originated loan portfolio during the second quarter of 2015 compared to $3.8 million in the first quarter of 2015 and $1.4 in the second quarter of 2014. The provision for loan losses during the current quarter was comprised of $3.4 million for portfolio growth and changes in loss factors and $2.8 million for changes in specific reserves and individual risk ratings. We continue to experience strong asset quality as our loan portfolio continues to season, evidenced by the low balance of nonperforming asset and stable ratio of nonperforming assets to total assets of 0.22% as of June 30, 2015 compared to 0.23% at March 31, 2015 and 0.30% at June 30, 2014.
>
> Our allowance for loan losses represented 0.66% of our total loan portfolio at June 30, 2015 as compared to 0.57% at March 31, 2015 and 0.50% at June 30, 2014. Our acquired loan portfolio has a remaining discount of $26.1 million at June 30, 2015. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at June 30, 2015 was 1.22% compared to 1.45% at March 31, 2015 and 1.95% at June 30, 2014, declining as the originated loan portfolio continues to increase as a percentage of the total loan portfolio. Our allowance for loan losses on originated loans resulted in a coverage ratio of 0.67% at June 30, 2015, an increase from 0.57% at March 31, 2015 and 0.48% at June 30, 2014.

26. On August 7, 2015, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended June 30, 2015. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on July 27, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

27. On October 26, 2015, Opus issued a press release entitled "Opus Bank Announces Third Quarter 2015 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: OPB) announced today net income of $14.7 million, or $0.44 per diluted share, for the third quarter of 2015 compared to $17.5 million, or $0.52 per diluted share, for the second quarter of 2015 and $7.7 million, or $0.23 per diluted share, for the third quarter of 2014.

The reduction in net income as compared to the second quarter of 2015 was mainly due to $6.7 million lower accretion income from the sale of acquired loans and $1.8 million higher provision expense for specific loan relationships and risk rating changes. Net income increased by 39% to $43.3 million for the nine months ended September 30, 2015 from $31.2 million for the nine months ended September 30, 2014. Pre-tax pre-provision earnings decreased 8% to $31.8 million for the third quarter of 2015 from $34.5 million in the prior quarter, while increasing 64% to $88.0 million for the nine months ended September 30, 2015 from $53.6 million for the nine months ended September 30, 2014. Additionally, Opus announced that its Board of Directors approved increasing its quarterly cash dividend by 20% to $0.12 per share payable on November 19, 2015 to common and preferred shareholders of record as of November 5, 2015.

Quarter and Year to Date 2015 Highlights

- Total assets increased by 6% to a record $6.2 billion at September 30, 2015 from $5.8 billion at June 30, 2015 and by 31% from $4.7 billion at September 30, 2014, driven by continued strong loan and deposit growth.

- New loan fundings were a record $638.3 million in the third quarter of 2015, an increase of 17% from $543.8 million in the second quarter of 2015 and an increase of 40% from $455.4 million in the third quarter of 2014. The weighted average rate on new loan fundings during the third quarter of 2015 was 4.41%, up 7 basis points compared to 4.34% during the second quarter of 2015 and up 23 bps compared to 4.18% during the third quarter of 2014. Commercial and Specialty Banking divisions represented 48% of new loan fundings during the third quarter of 2015, continuing the strategic shift in the mix of loans that has resulted in 8 basis points expansion in the yield on our originated loan portfolio for the first nine months of 2015 compared to the same period in 2014. Loan commitments originated during the third quarter of 2015 were a record $807.0 million, an increase of 35% from $598.9 million in the second quarter of 2015 and 58% from $511.7 million during the third quarter of 2014.

- Total loans held-for-investment, which includes our acquired loan portfolio, increased by $372.4 million, or 8%, during the third quarter to a record $5.0 billion and increased by $1.3 billion, or 34%, from September 30, 2014. Our originated loan portfolio grew by $414.4 million to $4.7 billion at September 30, 2015, an increase of 10% from June 30, 2015 and 45% from September 30, 2014.

- The loan origination pipeline remains robust entering the fourth quarter and continues to reflect the growth and maturation of our Commercial and Specialty Banking divisions, which increased to 59% of the pipeline on October 1, 2015 from 58% at July 1, 2015.

- Our asset quality remains strong, with nonperforming assets totaling $16.8 million, or 0.27%, of total assets at September 30, 2015 compared to $12.6 million, or 0.22%, at June 30, 2015 and $12.7 million, or 0.27%, at September 30, 2014. Provision expense for the third quarter of 2015 was $7.6 million compared to $5.8 million for the second quarter of 2015. The current quarter provision was driven by loan growth and changes in specific reserves and individual risk ratings. Our ratio of allowance for loan losses to total loans increased to 0.74% as of September 30, 2015 and our coverage ratio was 1.16%, which includes the $21.6 million remaining discount on the acquired loan portfolio.

- Total deposits grew $356.4 million, or 8%, during the third quarter to a record $4.9 billion at September 30, 2015 and increased by $1.4 billion, or 41%, from September 30, 2014. Noninterest bearing plus interest bearing demand deposits ("total demand deposits") increased by $196.7 million, or 12%, during the third quarter to $1.8 billion and comprised 37% of total deposits as of September 30, 2015, up from 35% at June 30, 2015. As of September 30, 2015, deposit balances associated with our Escrow and Exchange divisions totaled $554.7 million, an increase of $33.7 million from June 30, 2015. Deposits related to our Commercial and Specialty Banking divisions, including Escrow and Exchange, increased by $278.3 million during the third quarter of 2015, up 17% from June 30, 2015. Business deposits increased 14% during the third quarter and represented 50% of our total deposits at September 30, 2015, compared to 47% at June 30, 2015 and 38% at September 30, 2014. Our cost of deposits decreased one basis point from the second quarter of 2015 to 0.48% for the third quarter of 2015.

- Total net interest income decreased 6% to $51.4 million for the third quarter of 2015 compared to $55.0 million for the second quarter of 2015 due to lower accretion income from the acquired loan portfolio in the third quarter of 2015 compared to the second quarter, and increased 34% from $38.3 million for the third quarter of 2014. Interest income from our originated loan portfolio totaled $48.5 million, an increase of $5.3 million, or 12%, from the second quarter of 2015 and $16.3 million, or 51%, from the third quarter of 2014. Interest income from the acquired loan portfolio decreased to $8.3 million for the third quarter of 2015 from $16.9 million in the second quarter of 2015 and from $10.8 million for the third quarter of 2014. During the third quarter of 2015, we continued to opportunistically manage the acquired loan portfolio and recognized $3.0 million of accretion income from loans that closed through prepayment, foreclosure and sale compared to $10.1 million during the second quarter of 2015. Net interest income increased 31% to $151.6 million for the nine months ended September 30, 2015 from $115.5 million for the nine months ended September 30, 2014.

- Net interest margin decreased 49 basis points to 3.80% for the third quarter of 2015 from 4.29% in the second quarter of 2015 and increased one basis point from 3.79% in the third quarter of 2014. The decrease from the prior quarter was due to lower accretion income from the acquired loan portfolio. Contractual net interest margin, which excludes the impact of accretion and amortization of acquisition discounts and premiums, increased 11 basis points to 3.49% in the third quarter of 2015 from 3.38% in the second quarter of 2015 primarily due to an increase in the yield on originated loans and prepayment fees, offset by day count and decline in the acquired loan portfolio. Net interest margin decreased 21 basis points to 3.98% for the nine months ended September 30, 2015 from 4.19% for the nine months ended September 30, 2014 due to lower contribution from the acquired loan portfolio. Contractual net interest margin increased 2 basis points to 3.44% for the nine months ended September 30, 2015 from 3.42% for the nine months ended September 30, 2014 primarily due to improved shift in mix and higher balances of, and yield on, originated loans and prepayments, offset by lower contribution from the acquired loan portfolio.

- Noninterest income during the third quarter of 2015 totaled $7.3 million compared to $8.1 million in the second quarter of 2015 and $3.9 million in the third quarter of 2014. Noninterest income during the third quarter included $1.6 million in fees generated through our Escrow and Exchange divisions, $571,000 of advisory fee income from our Merchant Banking division, which includes our broker-dealer subsidiary Opus Financial Partners, and $1.1 million in net equity warrant valuation changes. The decrease in total noninterest income from the prior quarter was due to a $779,000 reduction in fee income from our Real Estate Capital Markets group and a $760,000 decrease in dividends received from the Federal Home Loan Bank of San Francisco ("FHLB") due to a special dividend received in the prior quarter. Noninterest income increased 89% to $18.7 million for the nine months ended September 30, 2015 from $9.9 million for the nine months ended September 30, 2014.

- Our efficiency ratio was 45.8% for the third quarter of 2015 compared to 45.3% for the second quarter of 2015 and 59.5% for the third quarter of 2014. For the nine months ended September 30, 2015 our efficiency ratio was 48.3% compared to 57.3% for the nine months ended September 30, 2014. Noninterest expense to average assets decreased to 1.8% in the third quarter of 2015 compared to 2.0% during the second quarter of 2015 and 2.2% during the third quarter of 2014. Noninterest expense to average assets decreased to 2.0% for the nine months ended September 30, 2015 from 2.3% for the nine months ended September 30, 2014.

- Return on average tangible equity was 10.1% for the third quarter of 2015 compared to 12.5% for the second quarter of 2015 and 5.7% for the third quarter of 2014. Return on average tangible equity was 10.3% for the nine months ended September 30, 2015 compared to 8.6% for the nine months ended September 30, 2014. Return on average assets was 0.98% for the third quarter of 2015 compared to 1.23% for the second quarter of 2015 and 0.67% for the third quarter of 2014. Return on average assets was 1.03% for the nine months ended

September 30, 2015 as compared to 0.99% for the nine months ended September 30, 2014.

- Our loan-to-deposit ratio was unchanged from the prior quarter at 101% as of September 30, 2015.

- Our balance sheet is well positioned for rising interest rates as it continues to remain asset sensitive as of September 30, 2015. The mix, duration, repricing characteristics, amortization schedules and increased cash flows related to our loan and deposit portfolios result in positive outcomes under all our interest rate modeling scenarios.

- Our tangible book value per as-converted share at September 30, 2015 increased to $17.89 from $17.48 at June 30, 2015 and $16.80 at September 30, 2014.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "Our third quarter was highlighted by record new loan fundings, driven by the continued shift in loan mix toward our Commercial and Specialty Banking activities. This continued growth in our commercial client base contributed to an additional 11 basis point expansion to our contractual net interest margin as originated loan yields increased and our cost of deposits decreased further, with commercial business deposits growing to now represent 50% of our total deposits." Gordon added, "As we continue to execute on our plan to leverage our infrastructure, distribution and client base, we continue to display meaningful scalability through our efficiency and performance metrics, with our efficiency ratio now in the mid-40s and our nonperforming asset ratio at 0.27%, both well below our West Coast regional and high-growth national peers." Gordon concluded, "Given where Opus was positioned at quarter-end and line of sight into our anticipated growth during the remainder of 2015 and into 2016, we are pleased to announce today that the Board of Directors has approved increasing our quarterly cash dividend by 20% to $0.12 per share, which reflects our strong capital position, asset quality, liquidity, increasing earnings power and return metrics, and confidence in our ability to execute our business strategy and growth plans."

* * *

Asset Quality

We continue to experience strong asset quality as our loan portfolio seasons, evidenced by the low balance of nonperforming assets and stable ratio of nonperforming assets to total assets of 0.27% as of September 30, 2015 compared to 0.22% at June 30, 2015 and 0.27% at September 30, 2014. We recorded a total provision for loan losses of $7.6 million in the third quarter of 2015 compared to $5.8 million in the second quarter of 2015 and $4.5 million in the third quarter of 2014. The provision recapture on the acquired loan portfolio totaled $709,000 in the third quarter of 2015, $387,000 during the second quarter of 2015 and $509,000 in the third quarter of 2014 due to continued improvement in expected cash flows and credit performance. A provision for loan losses of $8.3 million was recorded on the originated

> loan portfolio during the third quarter of 2015 compared to $6.2 million in the second quarter of 2015 and $5.1 in the third quarter of 2014. The provision for loan losses during the current quarter on the originated loan portfolio was comprised of $2.3 million for portfolio growth and $6.0 million for changes in specific reserves, individual risk ratings and loss factors.
>
> Our allowance for loan losses represented 0.74% of our total loan portfolio at September 30, 2015 as compared to 0.66% at June 30, 2015 and 0.58% at September 30, 2014. Our acquired loan portfolio has a remaining discount of $21.6 million at September 30, 2015. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at September 30, 2015 was 1.16% compared to 1.22% at June 30, 2015 and 1.82% at September 30, 2014, declining as the originated loan portfolio continues to increase as a percentage of the total loan portfolio. Our allowance for loan losses on originated loans resulted in a coverage ratio of 0.76% at September 30, 2015, an increase from 0.67% at June 30, 2015 and 0.58% at September 30, 2014.

28. On November 6, 2015, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended September 30, 2015. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on October 26, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

29. On January 25, 2016, Opus issued a press release entitled "Opus Bank Announces Fourth Quarter and Year End 2015 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ:OPB) announced today net income of $16.7 million, or $0.50 per diluted share, for the fourth quarter of 2015 and $59.9 million, or $1.79 per diluted share, for the year ended December 31, 2015 as compared to $14.7 million, or $0.44 per diluted share, for the third quarter of 2015 and $43.7 million, or $1.38 per diluted share, for

the year ended December 31, 2014. Net income in the fourth quarter included approximately $1.2 million of acquisition and other strategic initiative related non-core expenses, including costs associated with the successful execution of the secondary stock offering by selling shareholders completed on November 23, 2015, and $3.7 million of provision for loan loss related to our record loan fundings and growth during the quarter. Additionally, Opus announced today that its Board of Directors approved increasing its quarterly cash dividend by 25% to $0.15 per common share payable on February 18, 2016 to common and preferred shareholders of record as of February 4, 2016.

Quarter and Year End 2015 Highlights

- New loan fundings were a record $763.1 million in the fourth quarter of 2015, an increase of 20% from $638.3 million in the third quarter of 2015 and an increase of 33% from $572.7 million in the fourth quarter of 2014. For the full year 2015, new loan fundings totaled a record $2.4 billion as compared to $1.8 billion during 2014 and exceeded our forecasted new loan fundings by approximately $200 million, or over 9%. Record loan commitments of $819.9 million were originated during the fourth quarter of 2015 compared to $807.0 million in the third quarter of 2015 and $613.1 million in the fourth quarter of 2014. Loan commitments originated during 2015 totaled $2.8 billion compared to $2.1 billion in 2014, representing additional opportunities for future new loan fundings.

- Commercial and Specialty Banking divisions represented 54% of new loan fundings during the fourth quarter and 52% for the full year 2015, and represented 58% of total new loan commitments during the fourth quarter of 2015 and full year 2015, continuing the strategic shift in the mix of loans that contributed to 6 basis points expansion in the yield on our originated loan portfolio in 2015 compared to the prior year.

- Our originated loan portfolio increased by a record $548.4 million, or 12%, during the fourth quarter of 2015 and $1.6 billion, or 44%, during the full year 2015. At December 31, 2015, our originated loan portfolio totaled $5.2 billion and comprised 95% of our total loan portfolio. Quarterly organic growth in total loans held-for-investment, which includes our acquired loan portfolio, was the highest in Opus' history at $494.2 million, or 10%, during the fourth quarter of 2015. Total loans held-for-investment increased by $1.4 billion, or 35%, from December 31, 2014 to a record $5.5 billion as of December 31, 2015.

- Total assets increased to a record $6.6 billion at December 31, 2015 from $6.2 billion at September 30, 2015 and $5.1 billion at December 31, 2014 due to continued strong loan and deposit growth.

- The loan origination pipeline remains robust entering the first quarter of 2016 and continues to reflect the growth and maturation of our Commercial and Specialty Banking divisions, which comprised 57% of the pipeline of total loan commitments on January 1, 2016, compared to 59% on October 1, 2015.

- Total deposits grew $359.3 million, or 7%, during the fourth quarter to a record $5.3 billion at December 31, 2015, and increased by $1.5 billion, or 40%, from December 31, 2014. Noninterest bearing plus interest bearing demand deposits ("total demand deposits") increased by $323.0 million, or 18%, during the fourth quarter of 2015 to $2.1 billion, and increased by $1.3 billion, or 150%, during the year ended December 31, 2015. Total demand deposits comprised 40% of total deposits as of December 31, 2015, up from 37% as of September 30, 2015 and 22% as of December 31, 2014. As of December 31, 2015, deposit balances associated with our Escrow and Exchange divisions totaled $689.9 million, an increase of $135.1 million from September 30, 2015. Deposits related to our Commercial and Specialty Banking divisions, including Escrow and Exchange, increased by $301.4 million during the fourth quarter and represented 41% of our total deposits at December 31, 2015, compared to 38% at September 30, 2015 and 19% at December 31, 2014. Business deposits increased during the fourth quarter and represented 52% of our total deposits at December 31, 2015, compared to 50% at September 30, 2015 and 37% at December 31, 2014.

- Total revenues increased 6.8% to $62.7 million for the fourth quarter of 2015 compared to $58.7 million for the third quarter of

2015 and increased 38% compared to $45.4 million for the fourth quarter of 2014. Total revenues increased 36% to $233.0 million for the year ended December 31, 2015 compared to $170.8 million for the year ended December 31, 2014.

- Total net interest income increased 10% to $56.7 million for the fourth quarter of 2015 compared to $51.4 million for the third quarter of 2015. Net interest income increased 34% to $208.3 million for the year ended December 31, 2015 from $157.7 million for the year ended December 31, 2014, mainly due to a 51% increase in interest income from originated loans during 2015. During the fourth quarter of 2015 we continued to opportunistically manage the acquired loan portfolio and recognized $5.5 million of accretion income from loans that closed through prepayment, foreclosure and sale, compared to $3.0 million during the third quarter of 2015. Interest income from our originated loan portfolio comprised 80% of loan interest income for the year ended December 31, 2015 as compared to 68% for the year ended December 31, 2014.

- Net interest margin increased 6 basis points to 3.86% for the fourth quarter of 2015 from 3.80% for the third quarter of 2015 and increased one basis point from 3.85% for the fourth quarter of 2014. The increase from the prior quarter was mainly due to higher accretion income from the acquired loan portfolio and a lower cost of deposits, partially offset by lower benefit from prepayments in the originated loan portfolio. The cost of deposits decreased one basis point to 0.47% during the fourth quarter of 2015 and decreased 10 basis points compared to the fourth quarter of 2014. For the year ended December 31, 2015, the cost of deposits decreased 6 basis points to 0.49% compared to 0.55% for the year ended December 31, 2014. Contractual net interest margin, which excludes the impact of accretion and amortization of acquisition discounts and premiums, was 3.42% for the fourth quarter of 2015 compared to 3.49% for the third quarter of 2015 and 3.37% for the fourth quarter of 2014. The decrease in the contractual net interest margin from the prior quarter was mainly due to the lower average balance of acquired loans and lower benefit from prepayments in the originated loan portfolio, offset by a lower cost of deposits. Contractual net interest margin increased 4 basis points to 3.44% for the year ended December 31, 2015 from 3.40% for the year ended December 31, 2014.

- Noninterest income during the fourth quarter of 2015 totaled \$6.0 million compared to \$7.3 million in the third quarter of 2015 and \$3.2 million in the fourth quarter of 2014. Noninterest income during the fourth quarter included \$1.8 million in fees generated through our Escrow and Exchange divisions, \$561,000 of advisory fee income from our Merchant Banking division, which includes our broker-dealer subsidiary Opus Financial Partners, and a \$399,000 gain recognized on the sale of originated loans, offset by a net write down of \$515,000 on equity warrant valuation changes. Noninterest income increased 88% to \$24.7 million for the year ended December 31, 2015 from \$13.1 million for the year ended December 31, 2014.

- Noninterest expense during the fourth quarter of 2015 totaled \$28.0 million compared to \$26.9 million in the third quarter of 2015 and \$25.9 million in the fourth quarter of 2014. The increase from the prior quarter was primarily due to approximately \$1.2 million of acquisition and other strategic initiative related non-core expenses, including costs associated with the secondary stock offering by selling shareholders completed on November 23, 2015.

- Our efficiency ratio improved to 44.7% in the fourth quarter of 2015 compared to 45.8% for the third quarter of 2015 and 57.1% for the fourth quarter of 2014. For the year ended December 31, 2015, our efficiency ratio improved to 47.3% compared to 57.2% for the year ended December 31, 2014. Noninterest expense to average assets improved to 1.7% in the fourth quarter of 2015 from 1.8% in the third quarter of 2015 and improved from 2.1% in the fourth quarter of 2014. The ratio of noninterest expense to average assets decreased to 1.9% for the year ended December 31, 2015 from 2.2% for the year ended December 31, 2014.

- Return on average tangible equity increased to 11.2% for the fourth quarter of 2015 compared to 10.1% for the third quarter of 2015, and tax adjusted return on average tangible equity of 8.1% for the fourth quarter of 2014. Return on average tangible equity increased to 10.5% for the year ended December 31, 2015 compared to tax adjusted return on average tangible equity of 8.7% for the year ended December 31, 2014. Return on average assets increased to 1.03% for the fourth quarter of 2015 compared to 0.98% for the third quarter of 2015 and tax adjusted return on average assets of 0.90% for the fourth quarter of 2014. Return on average assets increased to 1.03% for the year ended December 31, 2015 compared to tax adjusted return on average assets of 0.97% for the year ended December 31, 2014.

- Asset quality continued to remain strong, with nonperforming assets totaling $24.3 million, or 0.37% of total assets, at December 31, 2015 compared to $16.8 million, or 0.27% of total assets, at September 30, 2015 and $10.5 million, or 0.21% of total assets, at December 31, 2014. The increase in nonperforming assets during the fourth quarter of 2015 was driven by a single loan relationship for which Opus has confirmed it has sufficient collateral to cover expected future inherent loss. Provision expense for the fourth quarter of 2015 was $8.0 million compared to $7.6 million for the third quarter of 2015 and $1.5 million for the fourth quarter of 2014. The fourth quarter provision was driven primarily by record new loan fundings and loan growth, which contributed $3.7 million of provision expense versus $2.3 million in the prior quarter, the continued shift in the mix of the loan portfolio toward commercial business loans that require higher levels of allowance, and changes in specific reserves, risk ratings and loss rates. Our ratio of allowance for loan losses to total loans increased to 0.80% as of December 31, 2015 and our coverage ratio was 1.08%, which includes the $15.4 million remaining discount on the acquired loan portfolio.

- Our balance sheet is well positioned for rising interest rates as it continues to remain asset sensitive as of December 31, 2015. We began to realize the initial benefits to interest income on our Prime rate and LIBOR indexed loans and to our cash investments as a result of the Federal Reserve's rate increase on December 16, 2015. The mix, duration, repricing characteristics, amortization schedules and cash flows generated from our loan and deposit portfolios result in positive outcomes under all our interest rate modeling scenarios.

- During the fourth quarter, Opus successfully completed an underwritten secondary offering of 5,479,452 shares of common stock by existing shareholders. Another 708,084 shares were offered upon execution of the underwriters' option to purchase additional shares. Opus did not receive any proceeds from the offering and the transaction had no material impact on our weighted average diluted shares outstanding. Capital ratios continue to be strong and well in excess of bank regulatory requirements.

- Our tangible book value per as converted common share at December 31, 2015 increased to $18.28 from $17.89 at September 30, 2015 and $17.26 at December 31, 2014.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "The full year 2015 was highlighted by strong growth and improving profitability. We achieved record new loan fundings of $763 million in the fourth quarter and $2.4 billion during the year, accelerating beyond our forecasted expectations. We're pleased this strong year-end loan growth puts us at a higher starting point as we enter 2016. We additionally experienced equally strong growth in deposits, which continue to improve in quality, mix, and cost. As a result, Opus achieved 37% growth in net income during 2015, further enhancing franchise value. As we continue our leading growth into 2016, the maturation of our Commercial and Specialty Banking divisions is resulting in a more diversified mix of loans, which represented 52% of new loan fundings during 2015." Gordon added, "We continually strive to become more efficient, reaching a mid-40's efficiency ratio earlier than originally forecasted, driven by our keen focus on growing revenues while managing expenses." Gordon concluded, "Given where Opus was positioned at year-end and our anticipated growth in 2016, we are pleased to announce today that the Board of Directors has approved increasing our quarterly cash dividend by 25% to $0.15 per share, which reflects our strong capital position, asset quality, liquidity, increasing earnings power and return metrics, and confidence in our ability to execute our business strategy and growth plans."

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<u>Asset Quality</u>

We continue to experience strong asset quality as our loan portfolio seasons, evidenced by the low balance of nonperforming assets and low ratio of nonperforming assets to total assets of 0.37% as of December 31, 2015 compared to 0.27% as of September 30, 2015 and 0.21% as of December 31, 2014. The increase in nonperforming assets during the fourth quarter of 2015 was driven by a single loan relationship for which Opus has confirmed it has sufficient collateral to cover expected future inherent loss. We recorded a total provision for loan losses of $8.0 million in the fourth quarter of 2015 compared to $7.6 million in the third quarter of 2015 and $1.5 million in the fourth quarter of 2014. A provision for loan losses of $8.4 million was recorded on the originated loan portfolio during the fourth quarter of 2015 compared to $8.3 million in the third quarter of 2015 and $1.6 million in the fourth quarter of 2014. The provision for loan losses during the fourth quarter of 2015 on the originated portfolio was comprised of $3.7 million for portfolio growth and $4.7 million for changes in specific reserves, individual risk ratings and loss factors, compared to $2.3 million for portfolio growth and $6.0 million for changes in specific reserves, individual risk ratings and loss factors in the third quarter of 2015, and $2.1 million for portfolio growth and a recapture of $557,000 for changes in specific reserves, individual risk ratings and loss factors in the fourth quarter of 2014. The provision for changes in specific reserves and risk ratings during the fourth quarter of 2015 was predominantly additional amounts on existing problem assets for activity in the fourth quarter of 2015 and not related to newly identified problem assets during the quarter. We had net charge-offs of $676,000 for the fourth quarter of 2015, or 0.05% of average loans annualized, compared to $1.4 million in the third quarter of 2015, or 0.12% of average loans annualized, and zero in the fourth quarter of 2014. The provision recapture on the acquired loan portfolio totaled $359,000 in the fourth quarter of 2015, $709,000 in the third quarter of 2015 and $111,000 in the fourth quarter of 2014.

Our allowance for loan losses represented 0.80% of our total loan portfolio at December 31, 2015 compared to 0.74% at September 30, 2015 and 0.56% at December 31, 2014. We have continued to see the allowance as a percentage of total loans increase due to our strategic shift in the mix of our loan portfolio toward more commercial business loans, which require a higher allowance relative to our multifamily loans. At December 31, 2015, the total loan portfolio was comprised of 47% originated multifamily loans with the remaining portion

> comprised primarily of commercial business loans. Our acquired loan portfolio had a remaining discount of $15.4 million as of December 31, 2015. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at December 31, 2015 was 1.08% compared to 1.16% at September 30, 2015 and 1.61% at December 31, 2014, declining as the acquired loan portfolio continues to decrease as a percentage of the total loan portfolio. Our allowance for loan losses on originated loans resulted in a coverage ratio of 0.82% as of December 31, 2015, compared to 0.76% as of September 30, 2015 and 0.56% as of December 31, 2014.

30. On February 29, 2016, Opus filed its Annual Report with the FDIC on Form 10-K for the fiscal year ended December 31, 2015. The Company's Form 10-K was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on January 25, 2016. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

31. On April 25, 2016, Opus issued a press release entitled "Opus Bank Announces First Quarter 2016 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ:OPB) announced today net income of $17.3 million, or $0.51 per diluted share, for the first quarter of 2016 compared to $16.7 million, or $0.50 per diluted share, for the fourth quarter of 2015 and $11.1 million, or $0.34 per diluted share, for the first quarter of 2015. Net income in the first quarter included $1.2 million of merger and strategic initiative related expenses, including costs associated with the acquisition of PENSCO Services, LLC and its wholly-owned subsidiary PENSCO Trust Company ("PENSCO"), which closed on April 13, 2016, as well as severance associated with our expense reduction and efficiency improvement strategy announced on January 11, 2016, and $3.4 million of seasonal compensation and benefits expenses. Additionally, Opus announced that its Board of Directors approved increasing its quarterly cash dividend by 20% to $0.18 per share payable on May 19, 2016 to common and preferred shareholders of record as of May 5, 2016.

Recent Developments

- On April 13, 2016, Opus completed the acquisition of PENSCO, a leading tech-enabled alternative asset IRA custodian, with approximately $10.7 billion of custodial assets and over 45,000 clients with investments in over 40,000 unique asset types comprised of private equity, real estate, notes, cash and other non-exchange traded assets. Pursuant to the terms of the agreement, Opus paid consideration comprised of 1,664,615 shares of Opus Bank common stock and approximately $46.4 million in cash. PENSCO operates as a wholly-owned subsidiary of Opus Bank and represents Opus' entry into wealth services.

- As a result of PENSCO's primary purpose as an alternative asset IRA custodian, as of April 22, 2016, $739 million of PENSCO's $1.15 billion of ancillary custodial client cash balances had already transitioned to Opus, bringing total demand deposits, which are comprised of noninterest and interest bearing demand accounts, to 46% of total deposits compared to 40% at March 31, 2016, meaningfully decreasing Opus' overall cost of deposits. As of April 22, 2016, PENSCO ancillary custodial client cash balances at Opus totaled $802 million.

- Our loan to deposit ratio decreased to 98% as of April 22, 2016 from 110% as of March 31, 2016 as a result of the transition of PENSCO ancillary custodial client cash balances and additional deposit inflows associated with our Fiduciary Banking and Correspondent Banking divisions.

- As of April 22, 2016, Opus paid off $220 million of the $750 million of FHLB advances outstanding at March 31, 2016 and plans to pay off an additional $465 million of maturing FHLB advances by the end of the second quarter of 2016 as Opus had readied its balance sheet to absorb the purchase of PENSCO. The execution of this strategy will further reduce Opus' cost of funds.

First Quarter 2016 Highlights

- Contractual net interest margin, which excludes the impact of accretion income from the acquired loan portfolio, increased 17 basis points to 3.59% for the first quarter of 2016 from 3.42% in the fourth quarter of 2015 and increased 13 basis point from 3.46% in the first quarter of 2015, as we experienced the first full-quarter benefit from the Fed rate increase in December 2015 and greater contribution from the originated loan portfolio. GAAP net interest margin decreased 2 basis points to 3.84% for the first quarter of 2016 compared to 3.86% in the fourth quarter of 2015, primarily due to lower accretion income from the acquired loan portfolio.

- New loan fundings were $551.7 million in the first quarter of 2016 compared to $468.4 million in the first quarter of 2015. Loan commitments of $630.1 million were originated during the first quarter of 2016 compared to $526.6 million in the first quarter of 2015. While the first quarter normally represents Opus' lowest quarter of new loan fundings and commitments originated, the levels achieved in the first quarter of 2016 were both record highs for first quarter volumes of any year.

- Commercial and Specialty Banking divisions represented 54% of new loan fundings and represented 60% of total new loan commitments originated during the first quarter of 2016.

- Total loans held-for-investment, including acquired loans, increased by $266.6 million, or 5%, during the first quarter of 2016 to $5.8 billion and increased by $1.4 billion, or 32%, from the first quarter of 2015. Originated loans increased by $291.8 million, or 6%, during the first quarter of 2016 to $5.5 billion, and increased by $1.6 billion, or 40%, from the first quarter of 2015.

- Total assets increased 4% to a record $6.9 billion at March 31, 2016 from $6.6 billion at December 31, 2015 and increased 25% from $5.6 billion at March 31, 2015.

- The loan origination pipeline remains robust entering the second quarter and continues to reflect the growth and maturation of our Commercial and Specialty Banking divisions, which increased to 61% of the pipeline on April 1, 2016 from 57% at January 1, 2016.

- Average total deposits increased $131.1 million, or 3%, from the fourth quarter of 2015 to $5.3 billion.

- Net interest income increased 4% to $59.1 million for the first quarter of 2016 compared to $56.7 million for the fourth quarter of 2015. Interest income from originated loans increased 11% due to higher average balances and an 11 basis point increase in the yield on originated loans. Interest income from the acquired loan portfolio decreased 29% from the fourth quarter of 2015 due to lower balances of acquired loans and lower accretion income. During the first quarter of 2016, we recognized $3.1 million of accretion income from loans that closed through prepayment, foreclosure and sale, compared to $5.5 million during the fourth quarter of 2015.

- Noninterest income during the first quarter of 2016 totaled $5.3 million compared to $6.0 million in the fourth quarter of 2015 and $3.3 million in the first quarter of 2015.

- Noninterest expense was $30.9 million in the first quarter of 2016 compared to $28.0 million in the fourth quarter of 2015. The increase from the prior quarter was primarily due to $1.2 million of merger and strategic initiative related expenses, which includes costs associated with the acquisition of PENSCO, as well as severance associated with our expense reduction and efficiency improvement strategy, and $3.4 million of seasonal compensation and benefits expenses.

- Our efficiency ratio was 47.9% for the first quarter of 2016 compared to 44.7% for the fourth quarter of 2015 and 55.2% for the first quarter of 2015. Excluding $1.2 million in merger and strategic initiative related expenses, including severance associated with our expense reduction and efficiency improvement strategy, and $3.4 million in seasonal compensation and benefits expense during the first quarter of

2016, our adjusted efficiency ratio was 40.8%, compared to 43.1% in the fourth quarter of 2015.

- Return on average tangible equity increased to 11.5% for the first quarter of 2016 compared to 11.2% for the fourth quarter of 2015 and 8.1% for the first quarter of 2015. Return on average assets was 1.03% for the first quarter of 2016 and the fourth quarter of 2015 compared to 0.85% for the first quarter of 2015.

- Nonperforming assets totaled 0.62% of total assets at March 31, 2016 compared to 0.37% at December 31, 2015 and 0.23% at March 31, 2015. The linked quarter increase was due to one loan relationship placed on nonaccrual during the first quarter of 2016 for which the required allowance remained materially unchanged from the fourth quarter of 2015.

- Provision expense for the first quarter of 2016 was $4.9 million compared to $8.0 million for the fourth quarter of 2015. Net charge-offs were $302,000 for the first quarter of 2016, or 0.02% of average loans (annualized), compared to $676,000 and 0.05% of average loans (annualized), respectively, during the fourth quarter of 2015.

- Our allowance for loan losses increased to 0.85% of loans as of March 31, 2016 from 0.80% as of December 31, 2015, and our coverage ratio, which includes the remaining discount on the acquired loan portfolio, was 1.03% as of March 31, 2016, compared to 1.08% as of December 31, 2015.

- Our tangible book value per as-converted share at March 31, 2016 increased to $18.73 from $18.28 at December 31, 2015 and $17.08 at March 31, 2015.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, “We entered 2016 having achieved a record $763 million of new loan fundings during the final quarter of 2015. While the first quarter normally represents Opus’ lowest quarter of loan fundings during the year, we completed the first quarter of 2016 having achieved our highest level of first quarter loan fundings in our 5½ year history, along with a 17 basis point increase in our contractual net interest margin and a very robust loan pipeline to fuel anticipated future growth. Our earnings for the first quarter of 2016, when adjusted for merger and strategic initiative related expenses, as well as seasonal compensation and benefits costs, resulted in an adjusted efficiency ratio that exemplifies our ability to meaningfully scale our revenue growth and returns.”

Gordon added, “We are very excited to have completed the acquisition of PENSCO and to now begin the realization of our mutual benefits and vision. This transformational acquisition brings Opus to now having over $7 billion of assets on-balance sheet, nearly $11 billion of custodial assets off-balance sheet and a new source of diversified revenue through our entry into the wealth services business with the addition of over 45,000 new clients.”

Gordon concluded, “We are pleased to announce today that the Board of Directors has approved increasing our quarterly cash dividend by 20% to $0.18 per share, which reflects our strong capital position, asset quality, liquidity, increasing earnings power and return metrics, and confidence in our ability to meaningfully scale revenue while increasing our return on capital."

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Asset Quality

We continue to experience strong asset quality as our loan portfolio seasons, evidenced by the low balance of nonperforming assets and low ratio of nonperforming assets to total assets. Nonperforming assets totaled $42.8 million, or 0.62% of total assets as of March 31, 2016, compared to $24.3 million, or 0.37% of total assets as of December 31, 2015, and $12.7 million, or 0.23% of total assets as of March 31, 2015. The increase in nonperforming assets during the first quarter of 2016 was due to one current loan relationship placed on nonaccrual during the first quarter of 2016 for which the required allowance remains materially unchanged from the fourth quarter of 2015.

We recorded a total provision for loan losses of $4.9 million in the first quarter of 2016 compared to $8.0 million in the fourth quarter of 2015 and $3.6 million in the first quarter of 2015. The provision recapture on the acquired loan portfolio totaled $151,000 in the first quarter of 2016, $359,000 during the fourth quarter of 2015 and $202,000 in the first quarter of 2015. A provision for loan losses of $5.1 million was recorded on the originated loan portfolio during the first quarter of 2016 compared to $8.4 million in the fourth quarter of 2015 and $3.8 million in the first quarter of 2015. The provision for loan losses during the current quarter on the originated loan portfolio was comprised of $1.9 million for portfolio growth and $3.2 million for changes in specific reserves, individual risk ratings and loss factors. Net charge-offs totaled $302,000, or 0.02% of average loans (annualized), for the first quarter of 2016 compared to $676,000 and 0.05%, respectively, during the fourth quarter of 2015.

Our allowance for loan losses represented 0.85% of our total loan portfolio at March 31, 2016 as compared to 0.80% at December 31, 2015 and 0.57% at March 31, 2015. We have continued to see the allowance as a percentage of total loans increase due to our strategic shift in the mix of our loan portfolio toward more commercial business loans, which require a higher allowance relative to our multifamily loans. At March 31, 2016, the total originated loan portfolio was comprised of 48% multifamily loans with the remaining portfolio comprised primarily of commercial business loans. This compares to 49% multifamily loans as of December 31, 2015 and 58% multifamily loans as of March 31, 2015. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at March 31, 2016 was 1.03% compared to 1.08% at December 31, 2015 and 1.45% at March 31, 2015, declining as the originated loan portfolio continues to increase as a percentage of total loans. Our allowance for loan losses on originated loans resulted in a coverage ratio of 0.87% at March 31, 2016, an increase from 0.82% at December 31, 2015 and 0.57% at March 31, 2015.

32. On May 6, 2016, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended March 31, 2016. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on April 25, 2016. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

33. On July 25, 2016, Opus issued a press release entitled "Opus Bank Announces Second Quarter 2016 Results." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE)-- Opus Bank ("Opus") (NASDAQ: "OPB") announced today net income of $16.1 million, or $0.46 per diluted share, for the second quarter of 2016 compared to $17.3 million, or $0.51 per diluted share, for the first quarter of 2016 and $17.5 million, or $0.52 per diluted share, for the second quarter of 2015. Net income increased by 17% to $33.4 million, or $0.97 per diluted share, for the six months ended June 30, 2016 from $28.6 million, or $0.86 per diluted share, for the six months ended June 30, 2015. Net income in the second quarter included $3.4 million of merger and strategic initiative related expenses, including costs associated with the acquisition of PENSCO Services, LLC and its wholly-owned subsidiary PENSCO Trust Company ("PENSCO"), which closed on April 13, 2016, and the addition of $7.6 million of provision expense related to four specific loan relationships, including loans in our Technology Banking portfolio. Pre-tax pre-provision earnings increased 11% to $37.3 million for the second quarter of 2016 from $33.6 million in the prior quarter, and increased 26% to $70.9 million for the six months ended June 30, 2016 from $56.2 million for the six months ended June 30, 2015.
>
> Additionally, Opus announced that its Board of Directors approved increasing its quarterly cash dividend by 11% to $0.20 per share payable on August 18, 2016 to common and preferred shareholders of record as of August 4, 2016.
>
> Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, "Opus' performance during the second quarter of 2016 was marked by record second quarter loan fundings, continued strong growth in both loans and low-cost core deposits, and record fee income contributed by our Merchant Bank, Escrow and

Exchange divisions, and our PENSCO Trust Company subsidiary acquired during the quarter. We also achieved record levels of net interest income, total revenues, and pre-tax pre-provision earnings in the second quarter, aided by our continued focus on waste avoidance and efficiency improvement, and our initiatives undertaken earlier this year." Gordon added, "The quarter was also marked by elevated provision for potential loan losses associated with Opus' Technology Banking division loans, as well as provisions required due to our record second-quarter new loan fundings and continued success shifting the mix of our loan portfolio more heavily toward C&I loans." Gordon concluded, "Given the recent volatility in the Tech markets, this quarter's resultant low risk-adjusted returns experienced in our Tech lending division, and that Opus' second quarter earnings were masked in part by provisions due to downgrade-related movements in this portfolio, we've determined here at the start of the current third quarter to deemphasize our Technology Banking niche lending focus for the foreseeable future, and thereby unleash Opus' true earnings potential. Strong growth within Opus' other Commercial and Specialty Banking divisions and its Income Property Banking division continue to drive strong risk-adjusted returns and result in no change to Opus' previously established growth goals."

Second Quarter 2016 Highlights

- PENSCO's assets under custody increased to $12.0 billion as of June 30, 2016 compared to $10.7 billion as of the close of the acquisition on April 13, 2016. The referral agreement with Morgan Stanley Smith Barney LLC resulted in a bulk transfer of over 5,800 self-directed individual retirement accounts and $1 billion of assets during the second quarter, and has resulted in over 200 referral accounts representing $62 million of assets through June 30, 2016. Additionally, Opus entered into a successor custodian and referral agreement with UBS Financial Services Inc. during the second quarter.

- Following the close of the acquisition on April 13, 2016, PENSCO generated $6.3 million of trust administrative fee income during the second quarter of 2016.

- As of June 30, 2016, PENSCO ancillary custodial client cash balances held on deposit at Opus totaled $863.3 million with a weighted average rate of 0.02%. PENSCO's ancillary custodial cash balances still held at other financial institutions totaled $318.5 million at June 30, 2016.

- Opus' cost of deposits decreased four basis points to 0.44% for the second quarter of 2016 from 0.48% for the first quarter of 2016 due to the increase in low-cost core transaction account deposits from the transition of PENSCO ancillary custodial client cash balances during the quarter.

- New loan fundings increased to $660.6 million in the second quarter of 2016 compared to $551.7 million in the first quarter of 2016 and $543.8 million in the second quarter of 2015. Loan commitments of $767.2 million were originated during the second quarter of 2016 compared to $630.1 million in the first quarter of 2016 and $598.9 million during the second quarter of 2015. These levels of new loan fundings and loan commitments originated during the second quarter of 2016 were both record highs for second quarter volumes of any year.

- Total loans held-for-investment, including acquired loans, increased by $362.7 million, or 6%, during the second quarter of 2016 to $6.1 billion and increased by $1.5 billion, or 32%, from the second quarter of 2015. Originated loans increased by $398.5 million, or 7%, during the second quarter of 2016 to $5.9 billion, and increased by $1.7 billion, or 39%, from the second quarter of 2015.

- Commercial and Specialty Banking divisions represented 64% of total new loan commitments originated and 58% of new loan fundings during the second quarter of 2016.

- The loan origination pipeline remains robust entering the second quarter and continues to reflect the growth and maturation of our Commercial and Specialty Banking divisions, which represented 68% of the pipeline on July 1, 2016.

- Total assets increased 8% to a record $7.5 billion at June 30, 2016 from $6.9 billion at March 31, 2016 and increased 28% from $5.8 billion at June 30, 2015.

- Total deposits increased $940.5 million, or 18%, during the second quarter of 2016 and increased $1.6 billion, or 35%, from the second quarter of 2015, which included significant contribution from our PENSCO acquisition. Also, our Municipal Banking division, which banks local municipalities in western markets in which Opus operates, added $94.8 million of deposits during the second quarter of 2016. As a result, the percentage of low-cost core transaction account deposits rose to over 91% of total deposits as of June 30, 2016.

- FHLB advances decreased to $135.0 million as of June 30, 2016 compared to $750.0 million as of March 31, 2016 and $365.0 million at June 30, 2015.

- Opus' loan to deposit ratio decreased to 99% as of June 30, 2016 from 110% as of March 31, 2016, primarily as a result of the transition of PENSCO ancillary custodial client cash balances during the second quarter.

- Net interest income increased 6% to $62.5 million for the second quarter of 2016 compared to $59.1 million for the first quarter of 2016. Interest income from originated loans increased 4% due to higher average balances during the second quarter of 2016. Interest income from the acquired loan portfolio increased 10% from the first quarter of 2016 due to higher accretion income, partially offset by lower balances of acquired loans. During the second quarter of 2016, we recognized $4.4 million of accretion income from loans that closed through prepayment, foreclosure and sale, compared to $3.1 million during the first quarter of 2016.

- Noninterest income during the second quarter of 2016 increased to $13.2 million compared to $5.3 million in the first quarter of 2016 and $8.1 million in the second quarter of 2015. The increase from the prior quarter was primarily due to the addition of $6.3 million of trust administrative fees generated by our PENSCO subsidiary, which was acquired on April 13, 2016, a record $2.0 million of fees generated by our Escrow and Exchange divisions and $1.8 million of advisory fee income generated by our Merchant Bank, including our broker-dealer subsidiary, Opus Financial Partners. Net equity warrant valuation changes reduced total noninterest income by $942,000 during the second quarter.

- Noninterest expense was $38.4 million in the second quarter of 2016 compared to $30.9 million in the first quarter of 2016 and $28.6 million in the second quarter of 2015. The increase from the prior quarter was primarily due to $3.4 million of merger and strategic initiative related expenses, which includes costs associated with the acquisition of PENSCO, as well as higher compensation and benefits expense, occupancy expense, office services expense, and amortization of intangible assets due to the acquisition and integration of PENSCO.

- Our efficiency ratio was 50.7% for the second quarter of 2016 compared to 47.9% for the first quarter of 2016 and 45.3% for the second quarter of 2015. Excluding the $3.4 million in merger and strategic initiative related expenses incurred during the second quarter of 2016, our adjusted efficiency ratio was 46.3%.

- Return on average tangible equity was 11.14% for the second quarter of 2016 compared to 11.46% for the first quarter of 2016 and 12.54% for the second quarter of 2015. Return on average assets was 0.89% for the second quarter of 2016 compared to 1.03% for the first quarter of 2016 and 1.23% for the second quarter of 2015. Excluding merger and strategic initiative related expenses during the second quarter, our adjusted return on average tangible equity and return on average assets were 12.56% and 1.01%, respectively.

- Nonperforming assets totaled 1.06% of total assets at June 30, 2016 compared to 0.62% at March 31, 2016 and 0.22% at June 30, 2015. The linked quarter increase in nonperforming assets was primarily due to continued resolution efforts on three loan relationships, including two large Technology Banking division relationships which moved to nonaccrual status during the second quarter, impacting both nonperforming assets and the allowance for loan losses.

- Provision expense for the second quarter of 2016 was $10.9 million compared to $4.9 million for the first quarter of 2016 and $5.8 million for the second quarter of 2015. The increase in provision expense during the second quarter of 2016 was primarily due to four loan relationships, including two Technology Banking division loans, one Commercial Banking division loan, and one Healthcare Banking division loan, that experienced risk rating migration and required additional specific reserves representing $7.6 million of the total, as well as an additional $3.2 million provision for loan growth during the quarter. Net charge-offs were $24,000 for the second quarter of 2016, or 0.00% of average loans (annualized), compared to $302,000 and 0.02% of average loans (annualized), respectively, during the first quarter of 2016.

- During the third quarter of 2016, Opus decided to deemphasize our Technology Banking lending focus, as risk-adjusted returns within this division do not meet our standards for profitability at this stage of Opus' evolution. As of June 30, 2016, Technology Banking division loans outstanding totaled $279.5 million and total loan commitments were $316.4 million, or approximately 4.5% of Opus total loans outstanding and 4.7% of total loan commitments, respectively.

- Our allowance for loan losses increased to 0.97% of loans as of June 30, 2016 from 0.85% as of March 31, 2016, and our coverage ratio, which includes the remaining discount on the acquired loan portfolio, was 1.07% as of June 30, 2016, compared to 1.03% as of March 31, 2016.

- On June 29, 2016 we completed a public offering and sale of $135.0 million of 5.50% fixed-to-floating rate subordinated notes due 2026 (the "Notes"). The Notes were sold at par, resulting in net proceeds, after discounts and estimated offering expenses, of approximately $132.3 million. The Kroll Bond Rating Agency has assigned a rating of BBB+ to the Notes and the proceeds are treated as Tier 2 capital for regulatory purposes at June 30, 2016.

* * *

<u>Asset Quality</u>

Nonperforming assets totaled $79.4 million, or 1.06% of total assets as of June 30, 2016, compared to $42.8 million, or 0.62% of total assets as of March 31, 2016, and $12.6 million, or 0.22% of total assets as of June 30, 2015. The increase in nonperforming assets during the second quarter of 2016 was primarily due to three loan relationships, including two Technology Banking division relationships, which moved to nonaccrual status during the second quarter through efforts reflecting the bank's continued support for resolution.

We recorded a total provision for loan losses of $10.9 million in the second quarter of 2016 compared to $4.9 million in the first quarter of 2016 and $5.8 million in the second quarter of 2015. A provision for loan losses of $11.1 million was recorded on the originated loan portfolio during the second quarter of 2016 compared to $5.1 million in the first quarter of 2016 and $6.2 million in the second quarter of 2015. The provision for loan losses during the current quarter on the originated loan portfolio was comprised of $3.2 million for portfolio growth and $7.9 million for changes in specific reserves, individual risk

> ratings and loss factors, predominantly the increase in provision against four loan relationships, as the bank continues to work the relationships for optimal outcome. Net charge-offs totaled $24,000, or 0.00% of average loans (annualized), for the second quarter of 2016 compared to $302,000 and 0.02%, respectively, during the first quarter of 2015. The provision recapture on the acquired loan portfolio totaled $145,000 in the second quarter of 2016, $151,000 during the first quarter of 2016 and $387,000 in the second quarter of 2015.
>
> Our allowance for loan losses represented 0.97% of our total loan portfolio at June 30, 2016 as compared to 0.85% at March 31, 2016 and 0.66% at June 30, 2015. As expected, we have continued to see the allowance as a percentage of total loans increase due to our strategic shift in the mix of our loan portfolio toward more commercial business loans, which require a higher allowance relative to our multifamily loans. At June 30, 2016, the total originated loan portfolio was comprised of 47% multifamily loans with the remaining portfolio comprised primarily of commercial business loans. This compares to 48% multifamily loans as of March 31, 2016 and 55% multifamily loans as of June 30, 2015. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, at June 30, 2016 was 1.07% compared to 1.03% at March 31, 2016 and 1.22% at June 30, 2015. The remaining discount on acquired loans was $6.1 million as of June 30, 2016, compared to $10.7 million as of March 31, 2016 and $26.1 million as of June 30, 2015. Our allowance for loan losses on originated loans resulted in a coverage ratio of 1.00% at June 30, 2016, an increase from 0.87% at March 31, 2016 and 0.67% at June 30, 2015.

34. On August 5, 2016, Opus filed its Quarterly Report with the FDIC on Form 10-Q for the fiscal quarter ended June 30, 2016. The Company's Form 10-Q was signed by Defendants Gordon and Carrillo, and reaffirmed the Company's financial results announced in the press release issued on July 25, 2016. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Gordon and Carrillo, substantively similar to the certification described in ¶18, *supra*.

35. The above statements contained in ¶¶16-34 were materially false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, these statements were false and/or misleading statements and/or failed to disclose: (1) that certain of the Company's

loans were of poor quality; (2) that the Company was over-representing the quality of the loans to the public; (3) that, as such, the Company failed to properly account for the loans in violation of GAAP; (4) that, as a result, the Company would be forced to recognize large charge-offs associated with the loans; (5) that the Company lacked adequate internal controls over accounting and financial reporting; and (6) that, as a result of the foregoing, Defendants' positive statements about Opus's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

36. On October 17, 2016, Opus issued a press release entitled "Opus Bank Announces Loan Charge-Offs Will Impact Third Quarter Earnings." Therein, the Company, in relevant part, stated:

> IRVINE, Calif.--(BUSINESS WIRE) -- Opus Bank ("Opus") (NASDAQ: OPB) announced today that earnings for the third quarter 2016, which will be announced on October 24, 2016 before the market opens, will include a $0.59 per diluted share impact from loan charge-offs and is expected to result in a net loss of approximately $0.05 per diluted share for the third quarter of 2016.
>
> As part of the credit review process of impaired loans, new developments supported charge-offs being recognized on eight loan relationships through the allowance for loan losses at September 30, 2016. Charge-offs were recorded on these eight loan relationships, which have been impacting the provision for loan losses and earnings for the past eight quarters and include three of the same loan relationships that were discussed during Opus' second quarter 2016 earnings conference call. Charge-offs for the eight loan relationships totaled $38.8 million and had specific reserves of $16.7 million previously recorded. In addition, these charge-offs increased the reserve levels recorded against the remaining loan portfolio by $13.6 million as a result of higher loss factors incorporated into our allowance for loan losses methodology to reflect the charge-offs in the third quarter of 2016.
>
> Two loan relationships originated by our Technology Banking division,

> which we previously announced would be deemphasized, contributed $22.2 million, or 57%, of the charge-offs and $8.1 million, or 60%, of the increased reserves as a result of higher loss factors. The remaining six loan relationships that had $16.6 million of charge-offs were from across our Commercial and Specialty Banking divisions. These eight loan relationships had a remaining balance of $19.1 million as of September 30, 2016 and have been charged off to the estimated fair value of each loan's underlying collateral.
>
> Total nonperforming assets decreased 44% to $44.8 million, or 0.58% of total assets, as of September 30, 2016 compared to $79.4 million, or 1.06% of total assets, as of June 30, 2016. Total delinquencies decreased 55% to $21.7 million as of September 30, 2016 compared to $48.5 million as of June 30, 2016, and total criticized loans were $147.4 million as of September 30, 2016 compared to $146.5 million as of June 30, 2016. The ratio of our allowance for loan losses to total loans was 0.94% as of September 30, 2016 compared to 0.97% as of June 30, 2016. Our coverage ratio, which includes the remaining discount on the acquired loan portfolio, was 1.01% as of September 30, 2016 compared to 1.07% as of June 30, 2016.
>
> Our Tier 1 leverage ratio is expected to be 8.16%, Common Equity Tier 1 ratio is expected to be 9.24% and total risk-based capital ratio is expected to be 12.29% as of September 30, 2016, compared to 8.52%, 9.74% and 12.93%, respectively, as of June 30, 2016.

37. On this news, Opus's stock price fell $7.25 per share, or 21%, to close at $27.20 per share on October 17, 2016, on unusually heavy trading volume.

38. The stock continued to fall over the subsequent trading sessions, and fell a further $7.10 per share, or nearly 27%, to close on October 26, 2016 at $20.10, after the Company held a conference call with investors on October 24, 2016, to discuss the loan losses.

CLASS ACTION ALLEGATIONS

39. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that acquired Opus securities between July 28, 2014, and October 17, 2016, inclusive (the "Class Period") and who were damaged thereby (the "Class").

Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

40. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Opus's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Millions of Opus shares were traded publicly during the Class Period on the NASDAQ. As of August 4, 2016, Opus had 34,275,896 shares of common stock outstanding. Record owners and other members of the Class may be identified from records maintained by Opus or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

41. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

42. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

43. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Opus; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

44. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

45. The market for Opus's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Opus's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased

or otherwise acquired Opus's securities relying upon the integrity of the market price of the Company's securities and market information relating to Opus, and have been damaged thereby.

46. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Opus's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. Said statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about Opus's business, operations, and prospects as alleged herein.

47. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Opus's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the

Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

48. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

49. During the Class Period, Plaintiff and the Class purchased Opus's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

50. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Opus, his/her control over, and/or receipt and/or modification of Opus's allegedly materially misleading misstatements and/or their associations with the Company which made them privy

to confidential proprietary information concerning Opus, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE
(FRAUD-ON-THE-MARKET DOCTRINE)

51. The market for Opus's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Opus's securities traded at artificially inflated prices during the Class Period. On November 11, 2015, the Company's stock closed at a Class Period adjusted high of $39.26 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Opus's securities and market information relating to Opus, and have been damaged thereby.

52. During the Class Period, the artificial inflation of Opus's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Opus's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Opus and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of

the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

53. At all relevant times, the market for Opus's securities was an efficient market for the following reasons, among others:

(a) Opus stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Opus filed periodic public reports with the FDIC and/or the NASDAQ;

(c) Opus regularly communicated with public investors *via* established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Opus was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

54. As a result of the foregoing, the market for Opus's securities promptly digested current information regarding Opus from all publicly available sources and

reflected such information in Opus's stock price. Under these circumstances, all purchasers of Opus's securities during the Class Period suffered similar injury through their purchase of Opus's securities at artificially inflated prices and a presumption of reliance applies.

55. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

56. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they

were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Opus who knew that the statement was false when made.

FIRST CLAIM
Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Promulgated Thereunder
Against All Defendants

57. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

58. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Opus's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth

herein.

59. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Opus's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

60. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Opus's financial well-being and prospects, as specified herein.

61. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Opus's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Opus and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more

particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

62. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

63. The defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or

omissions were done knowingly or recklessly and for the purpose and effect of concealing Opus's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

64. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Opus's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Opus's securities during the Class Period at artificially high prices and were damaged thereby.

65. At the time of said misrepresentations and/or omissions, Plaintiff and

other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Opus was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Opus securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

66. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

67. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of The Exchange Act
Against the Individual Defendants

68. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

69. The Individual Defendants acted as controlling persons of Opus within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the

false financial statements filed by the Company with the FDIC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

70. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

71. As set forth above, Opus and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.