Westchester Bank group pursues private financing

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A two-year effort by a group of Westchester businessmen to launch a new bank in Yonkers will enter a critical stage over the next three months as they seek private financing.

Much has changed since Westchester National Bank began to be formed in 2006. The name, for starters. It is now simply The Westchester Bank, an apparent reflection of its organizers' decision to seek a state rather than a national charter.

STAFF

Some of the players have changed as well. A list of incorporators filed last fall with the state Banking Department has a few new names. Heading the list is retired Morgan Stanley managing director W. Thomas Clark of North Salem.

Clark couldn't be reached for comment, and others on the list declined comment or didn't return calls. Some of the incorporators have ties to the Yonkers Industrial Development Agency and the Ridge Hill Development Corp.

The new president of the bank, George E. Dunkel, said the group was reluctant to discuss plans because it is seeking private financing, an undertaking it hopes to complete by mid-June.

"We're very sensitive to anything that we discuss," Dunkel said. "Things have been going pretty good. We want them to keep going that way."

Dunkel, of Pine Bush, N.Y., said he took over as president in November. He had been president and chief executive of State Bank of Westchester in the early 1990s.
Private financing may preclude the need for an initial public stock offering that Dunkel's predecessor, Gary D. Mullin, said was in the cards. Mullin said in 2006 that the bank hoped to raise $25 million to $30 million in the offering and in contributions from organizers.

At the time, the bank planned to have branches in Yonkers and White Plains. Its current corporate address is 2001 Central Park Ave. in Yonkers.

The state banking department is awaiting the results of the fund-raising and other documents, before it approves the bank's charter, spokeswoman Jackie McCormack said.

Consolidation within the banking industry has heightened interest in the formation of new banks. Businesses often are concerned that they may have difficult relationships with larger lenders or be shut out of lending entirely.

The newer banks say they focus on local needs, said Eric Gouvin, associate dean at the Western New England College School of Law and an expert in the banking industry.

"They're not unique in that regard," he said. "All across the country there is this countercurrent."

Reach Jerry Gleeson at jgleeson@lohud.com or 914-694-5026.

The insiders

Here is a list of the incorporators of The Westchester Bank.

- W. Thomas Clark of North Salem, retired managing director, Morgan Stanley


- Staffard Garson of Armonk, Garson Brothers Development

- Robert C. Gottschall, Yonkers, retired banker and chairman, Ridge Hill Development Corp.

- John F. Holzinger Jr., North Salem, Barhite & Holzinger of Bronxville, a real-estate sales and management firm

- Kevin J. Keane, Harrison, managing partner, O'Connor, Davis Munns & Dobbins LLP in Harrison
Dennis E.A. Lynch, South Nyack, general counsel, Yonkers Industrial Development Agency

Carl C. Petrillo, Yonkers, owner, Yonkers Contracting and a former IDA board member

Thomas W. Smith, Yonkers, attorney, Smith Buss & Jacobs, Manhattan and Yonkers.

INDEX REFERENCES

COMPANY: SEEKING BUYER; MORGAN STANLEY; MORGAN STANLEY REAL ESTATE; MORGAN STANLEY AND CO INC; CITY OF YONKERS INDUSTRIAL DEV AGENCY; MORGAN STANLEY GOVERNMENT INCOME TRUST; BARRA INC

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