WESTERN ALLIANCE BANCORPORATION
Form 424B5
August 20, 2010

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-158971

SUBJECT TO COMPLETION. DATED AUGUST 20, 2010.

Preliminary Prospectus Supplement to Prospectus dated May 4, 2009

$75,000,000

% Senior Notes due 2015

We are offering $75,000,000 principal amount of % Senior Notes due 2015. The notes will mature on , 2015. We will pay interest on the notes on and of each year. The first such payment will be made on , 2011.

The notes are not savings or deposit accounts or other obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The notes are not guaranteed under the Federal Deposit Insurance Corporation s Temporary Liquidity Guarantee Program.

See Risk Factors beginning on page S-11 of this prospectus supplement to read about important facts you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	%	

Underwriting discounts and commissions	%
Proceeds to Western Alliance Bancorporation (before expenses)	%

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from , 2010 and must be paid by the purchasers if the notes are delivered after , 2010.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on or about , 2010.

Joint Book-Running Managers

Keefe, Bruyette & Woods **Goldman, Sachs & Co.**

Prospectus Supplement dated , 2010.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which contains the terms of this offering of notes. The second part, the accompanying prospectus dated May 4, 2009, gives more general information, some of which may not apply to this offering.

We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement to Western Alliance , we , us , our , the Company or similar references mean Western Alliance Bancorporation and it subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, our SEC filings are available to the public at the SEC s Internet site at http://www.sec.gov and on our website at http://www.westernalliancebancorp.com.

In this prospectus supplement, as permitted by law, we incorporate by reference information from other documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until our offering is completed:

- our Annual Report on Form 10-K for the year ended December 31, 2009 (including information incorporated by reference in the Form 10-K from our definitive proxy statement for the 2010 annual meeting of stockholders, which was filed on March 19, 2010) filed on March 16, 2010;

our Quarterly Report on Form 10-Q for the three months ended March 31, 2010 filed on May 7, 2010, and our Quarterly Report on Form 10-Q for the three months ended June 30, 2010 filed on August 5, 2010, as amended by our Quarterly Report on Form 10-Q/A filed on August 18, 2010; and

our Current Reports on Form 8-K filed with the SEC on February 16, 2010, April 5, 2010, April 22, 2010 May 3, 2010, May 27, 2010, August 18, 2010, August 19, 2010 and August 20, 2010.

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Unless stated otherwise in the applicable report, information furnished under Item 2.02 or 7.01 of our Current Reports on Form 8-K is not incorporated by reference.

You may request a copy of any of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Western Alliance Bancorporation
2700 W. Sahara Avenue
Las Vegas, Nevada 89102
(702) 248-4200
Attn: Dale Gibbons, Executive Vice President and Chief Financial Officer

Other than any documents expressly incorporated by reference, the information on our website and any other website that is referred to in this prospectus supplement is not part of this prospectus supplement.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement, the accompanying prospectus and the information included or incorporated by reference in them are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. The Company intends such forward-looking statements be covered by the safe harbor provisions for forward-looking statements. All statements other than statements of historical fact are forward-looking statements for purposes of Federal and State securities laws, including statements that related to or are dependent on estimates or assumptions relating to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts.

These forward-looking statements reflect our current views about future events and financial performance and involve certain risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from historical results and those expressed in any forward-looking statement. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: difficult economic conditions in the financial markets around the world; recent legislative and regulatory initiatives, including the Emergency Economic Stabilization Act of 2008, or EESA, the American Recovery and Reinvestment Act of 2009, or ARRA, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the rules and regulations that have or might be promulgated thereunder; supervisory actions by regulatory agencies which limit our ability to pursue certain growth opportunities, limit the ability of our banking subsidiaries to pay dividends or make distributions to us, and restrict or require other activities; the effect of fair value accounting on the financial instruments that we hold and any adverse impact changes in the value of the financial instruments will have on our earnings and financial condition; the possibility of asset, including goodwill, write-downs and the adverse impact on our earnings and financial condition; the soundness of other financial institutions with which we do business; our ability to raise capital, attract deposits and borrow from the Federal Home Loan Bank (FHLB) and the Board of Governors of the Federal Reserve (the Federal Reserve); defaults on our loan portfolio and the impact on our earnings; inadequate estimates of, or changes in managements estimates of the adequacy of, the allowance for credit losses; our ability to recruit and retain qualified employees, especially seasoned relationship bankers; inflation, interest rate, market and monetary fluctuations; the continued downturn in gaming or tourism in Las Vegas, Nevada, our primary market area; risks associated with the execution of our business strategy and related costs; increased lending risks associated with our concentration of commercial real estate, construction and land development and commercial and industrial loans; competitive pressures among financial institutions and businesses offering similar products and services; the effects of interest rates and interest rate policy; and other factors affecting the financial services industry generally or the banking industry in particular.

Forward-looking statements speak only as of the date they are made and we undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus supplement or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise, except to the extent required by federal securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement or in the incorporated documents might not occur, and you should not put undue reliance on any forward-looking statements.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and may not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in the notes. You should pay special attention to the Risk Factors section of this prospectus supplement to determine whether an investment in the notes is appropriate for you.

About Western Alliance Bancorporation

Western Alliance Bancorporation, incorporated in the State of Nevada, is a multi-bank holding company headquartered in Las Vegas, Nevada, providing full service banking and related services to locally owned businesses, professional firms, real estate developers and investors, local non-profit organizations, high net worth individuals and other consumers through its subsidiary banks and financial services companies located in Nevada, Arizona, California and Colorado. The Company provides virtually all aspects of commercial and consumer lending and deposit services. In addition, its non-bank subsidiaries offer a broad array of financial products and services aimed at satisfying the needs of small to mid-sized businesses and their proprietors, including custody and investments and equipment leasing. On a consolidated basis, as of June 30, 2010, we had approximately $5.96 billion in total assets, $4.02 billion in total net loans, $5.23 billion in deposits and $575.9 million in stockholders equity. We have focused our lending activities primarily on commercial loans (including business loans secured by apartment buildings, professional offices, industrial facilities, retail centers and other commercial properties), which comprised 72% of our total loan portfolio at June 30, 2010.

We commenced operations in 1994 in the Las Vegas, Nevada market. We grew to approximately $5 billion in assets by year end 2007, at which time we had reported 10 consecutive years of profitability. Beginning in 2008, however, we and the banking industry in general were adversely affected by a substantial decline in general economic conditions and turmoil in financial markets. Arizona, Nevada and California, the principal markets in which we operate, were particularly affected by declining real estate values. As a consequence of these events, and the declines in our stock price and the valuations of other financial institutions in recent periods, we recorded substantial charges for securities and goodwill impairments, substantial charge-offs related to our loan portfolio, and significant additions to our loss reserves. In addition, we have become subject to stricter regulatory oversight and requirements.

In response, and with a view to positioning us for the economy recovers for improved operating results and for future growth opportunities, we have taken a number of actions in recent periods to strengthen our balance sheet and improve our operating efficiencies, including raising over $420 million in new capital from a combination of the issuance of private and public offerings of our common stock and the issuance of preferred stock to the U.S. Department of Treasury under the Troubled Asset Relief Program, or TARP. We also have implemented a strategic cost reduction program, and have disposed or plan to dispose of non-core operations, including our unprofitable credit card division.

As a consequence of these actions, as well as stabilization in overall economic conditions, we experienced improved financial performance in the first half of 2010. Specifically, in the first six months of 2010, the Company:

- recorded net income of $1.6 million, including a net gain from securities investments of $14.3 million;
- grew its deposits by $508 million;

grew its net interest income to $112.2 million and improved its net interest margin to 4.16%; and

recorded declines in net loan charge-offs and our provision for credit losses.

In addition, on May 21, 2010, we repaid all $60 million aggregate principal amount of our subordinated debt issued through the Bank of Nevada which would have matured in 2016 and 2017. This debt bore, as of March 31, 2010, interest rates of 3.25% and 3.65%, respectively.

On August 11, 2010, our subsidiary Alta Alliance Bank opened a branch office in Los Altos, California, and Torrey Pines Bank, our Southern California subsidiary, opened a full-service branch office in downtown Los Angeles, California.

Our common stock is traded on NYSE under the ticker symbol WAL . Our principal executive offices are located at 2700 W. Sahara Avenue, Las Vegas, Nevada 89102. Our telephone number is (702) 248-4200.

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, into law. The Dodd-Frank Act will have a broad impact on the financial services industry, including significant regulatory and compliance changes such as, among other things, (1) enhanced resolution authority of troubled and failing banks and their holding companies; (2) increased capital and liquidity requirements; (3) increased regulatory examination fees; (4) changes to assessments to be paid to the FDIC for federal deposit insurance; and (5) numerous other provisions designed to improve supervision and oversight of, and strengthening safety and soundness for, the financial services sector. Additionally, the Dodd-Frank Act establishes a new framework for systemic risk oversight within the financial system to be distributed among new and existing federal regulatory agencies, including the Financial Stability Oversight Council, the Board of Governors of the Federal Reserve System, or the Federal Reserve, the Office of the Comptroller of the Currency, or the OCC, and the Federal Deposit Insurance Corporation, or the FDIC.

The following items provide a brief description of the impact of the Dodd-Frank Act on the operations and activities, both currently and prospectively, of the Company and its subsidiaries.

Deposit Insurance. The Dodd-Frank Act makes permanent the $250,000 deposit insurance limit for insured deposits. Amendments to the Federal Deposit Insurance Act also revise the assessment base against which an insured depository institution s deposit insurance premiums paid to the FDIC s Deposit Insurance Fund (or the DIF) will be calculated. Under the amendments, the assessment base will no longer be the institution s deposit base, but rather its average consolidated total assets less its average equity. Additionally, the Dodd-Frank Act makes changes to the minimum designated reserve ratio of the DIF, increasing the minimum from 1.15 percent to 1.35 percent of the estimated amount of total insured deposits, and eliminating the requirement that the FDIC pay dividends to depository institutions when the reserve ratio exceeds certain thresholds. Several of these provisions could increase the FDIC deposit insurance premiums paid by our insured depository institution subsidiaries. The Dodd-Frank Act also provides that, effective one year after the date of enactment, depository institutions may pay interest on demand deposits.

Trust Preferred Securities. Under the Dodd-Frank Act, bank holding companies are prohibited from including in their regulatory Tier 1 capital hybrid debt and equity securities issued on or after May 19, 2010. Among the hybrid debt and equity securities included in this prohibition are trust preferred securities, which the Company has used in the past as a tool for raising additional Tier 1 capital and otherwise improving its regulatory capital ratios. Although the Company may continue to include our existing trust preferred securities as Tier 1 capital, the prohibition on the use of these securities as Tier 1 capital going forward may limit the Company s ability to raise capital in the future.

The Consumer Financial Protection Bureau. The Dodd-Frank Act creates a new, independent Consumer Financial Protection Bureau (or Bureau) within the Federal Reserve. The Bureau is tasked with establishing and implementing rules and regulations under certain federal consumer protection laws with respect to the conduct of providers of certain consumer financial products and services. The Bureau has rulemaking authority over many of the statutes governing products and services offered to bank consumers. In addition, the Dodd-Frank Act permits states to adopt consumer protection laws and regulations that are stricter than those regulations promulgated by the Bureau and state attorneys general are permitted to enforce consumer protection rules adopted by the Bureau against certain state-chartered institutions. Although our bank subsidiaries do not currently offer many of these consumer products or services, compliance with any such new regulations would increase our cost of operations and, as a result, could limit our ability to expand into these products and services.

Increased Capital Standards and Enhanced Supervision. The federal banking agencies are required to establish minimum leverage and risk-based capital requirements for banks and bank holding companies. These new standards will be no lower than existing regulatory capital and leverage standards applicable to insured depository institutions and may, in fact, be higher when established by the agencies. Compliance with heightened capital standards may reduce our ability to generate or originate revenue-producing assets and thereby restrict revenue generation from banking and non-banking operations. The Dodd-Frank Act also increases regulatory oversight, supervision and examination of banks, bank holding companies and their respective subsidiaries by the appropriate regulatory agency. Compliance with new regulatory requirements and expanded examination processes could increase our cost of operations.

Transactions with Affiliates. The Dodd-Frank Act enhances the requirements for certain transactions with affiliates under Section 23A and 23B of the Federal Reserve Act, including an expansion of the definition of covered transactions and an increase in the amount of time for which collateral requirements regarding covered transactions must be maintained.

Transactions with Insiders. Insider transaction limitations are expanded through the strengthening on loan restrictions to insiders and the expansion of the types of transactions subject to the various limits, including derivative transactions, repurchase agreements, reverse repurchase agreements and securities lending or borrowing transactions. Restrictions are also placed on certain asset sales to and from an insider to an institution, including requirements that such sales be on market terms and, in certain circumstances, approved by the institution s board of directors.

Enhanced Lending Limits. The Dodd-Frank Act strengthens the existing limits on a depository institution s credit exposure to one borrower. Federal banking law currently limits a national bank s ability to extend credit to one person (or group of related persons) in an amount exceeding certain thresholds. The Dodd-Frank Act expands the scope of these restrictions to include credit exposure arising from derivative transactions, repurchase agreements, and securities lending and borrowing transactions. It also eventually will prohibit state-chartered banks (such as the Company s banking subsidiaries) from engaging in derivative transactions unless the state lending limit laws take into account credit exposure to such transactions.

Corporate Governance. The Dodd-Frank Act addresses many corporate governance and executive compensation matters that will affect most U.S. publicly traded companies, including us. The Dodd-Frank Act (1) grants shareholders of U.S. publicly traded companies an advisory vote on executive compensation; (2) enhances independence requirements for compensation committee members; (3) requires companies listed on national securities exchanges to adopt incentive-based compensation clawback policies for executive officers; and (4) provides the SEC with authority to adopt proxy access rules that would allow shareholders of publicly traded companies to nominate candidates for election as a director and have those nominees included in a company s proxy materials.

Many of the requirements called for in the Dodd-Frank Act will be implemented over time and most will be subject to implementing regulations over the course of several years. While our current assessment is that the Dodd-Frank Act will not have a material effect on the Company, given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on our operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities, require changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage requirements or otherwise adversely affect our business. These changes may also require us to invest significant management attention and resources to evaluate and make any changes necessary to comply with new statutory and regulatory requirements. Failure to comply with the new requirements would negatively impact our results of operations and financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to our investors.

Recent Common Stock Offering

We recently priced an offering of 7,000,000 shares of common stock (or 8,050,000 shares of common stock if the underwriter exercises its over-allotment option in full) at $6.25 per share.

We estimate that the proceeds from the common stock offering will be approximately $41.22 million after deducting the underwriting discounts and commissions and estimated expenses payable by us. We intend to use the net proceeds from this offering and, if completed, the common stock offering, for general corporate purposes, including to purchase nonperforming assets from our bank subsidiaries and to make capital injections into our bank subsidiaries. See Use of Proceeds .

The common stock offering was effected pursuant to a separate prospectus supplement that was filed with the SEC on August 19, 2010. There is no assurance that the common stock offering will be completed. The common stock offering and this offering are not contingent upon each other.

In connection with the common stock offering, the Company directed the underwriter in that offering to allocate a significant portion of the offering (6.1 million shares) to a large institutional investor. In addition, this investor requested and the Company agreed to use its best efforts to pursue a debt offering for $50 to $75 million, with tentative terms that could include a 5-year maturity, and an interest rate in the range of 9.5% to 10.5%. The investor has expressed an interest in purchasing a significant portion of this potential offering. However, the Company is under no binding obligation to conclude a debt offering. This offering is being made in connection with the foregoing.

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THE OFFERING

The following summary below describes the principal terms of the notes. Certain of the terms and conditions below are subject to important limitations and exceptions. For a more detailed description of the terms and conditions of the notes, see Description of Notes beginning on page S-25.

Issuer	Western Alliance Bancorporation
Notes Offered	$75 million initial aggregate principal amount of % Senior Notes due 2015.
Maturity Date	, 2015.
Interest	The notes will bear interest at % per year.
Interest Payment Dates	We will pay interest on the notes semi-annually on and of each year, commencing on , 2011.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank equally with all of our current and future unsecured and unsubordinated indebtedness, and senior to all of our future subordinated debt. The notes will effectively rank junior to any of our future secured indebtedness to the extent of the value of the assets securing such indebtedness. The notes will not be guaranteed by any of our subsidiaries and will therefore be effectively subordinated to all existing and future liabilities of our subsidiaries, including the deposits held by our banking subsidiaries.
Covenants	The indenture under which the notes will be issued contains covenants for your benefit. These covenants include, among others: maintenance of corporate existence; maintenance of properties; and limitations on liens.
Global Note; Book-Entry System	The notes will be issued only in fully registered form without interest coupons and in minimum denominations of $2,000. The notes will be evidenced by a global note deposited with the trustee for the notes, as custodian for The Depository Trust Company, or DTC. Beneficial interests in the global note will be shown on, and transfers of those beneficial interest can only be made through, records maintained by DTC and its participants. See Description of Notes Book-Entry System for Notes .
Use of Proceeds	We intend to use the net proceeds from this offering for general corporate purposes, including to purchase nonperforming assets from our bank subsidiaries and to make capital injections into our bank subsidiaries.

Listing	The notes will not be listed on any national securities exchange.
Risk Factors	An investment in the notes involves substantial risk. See Risk Factors beginning on page S-11 for a description of certain of the risks you should consider before investing in the notes.

REGULATORY CAPITAL RATIOS AND OTHER NON-GAAP FINANCIAL MEASURES

The Federal Reserve and the Federal Deposit Insurance Corporation (the FDIC) have risk-based capital adequacy guidelines intended to measure capital adequacy with regard to the degree of risk associated with a banking organization s operations for transactions reported on the balance sheet as assets, as well as transactions, such as letters of credit and recourse arrangements, that are reported as off-balance-sheet items. Under these guidelines, in order to be categorized as well-capitalized, a bank must maintain minimum leverage, Tier 1 risk-based capital and total risk-based capital ratios of 5.0%, 6.0% and 10.0%, respectively.

In connection with the Supervisory Capital Assistance Program, the Federal Reserve and the FDIC began supplementing their assessment of the capital adequacy of a bank based on a variation of Tier 1 capital, known as Tier 1 common equity. While not codified, analysts and banking regulators have assessed our capital adequacy using, among other measures, the Tier 1 common equity measure. Since analysts and banking regulators may assess our capital adequacy using Tier 1 common equity, we believe that it is useful to provide investors the ability to assess the Company s capital adequacy on this same basis.

The table below presents, as of June 30, 2010:

a reconciliation of our stockholders equity to our Tier 1 capital and Tier 1 common equity (non-GAAP); and

our leverage ratio, Tier 1 risk-based capital ratio and total risk-based capital ratio.

			June 30, 2010 (Dollars in thousands)		Ratio
Stockholders equity (GAAP)		$	575,858		
Less:					
Accumulated other comprehensive income (loss)			3,258		
Non-qualifying goodwill and intangibles			36,663		
Other non-qualifying assets			23,736		
Add:					
Qualifying trust preferred securities			34,326		
Tier 1 capital (regulatory)(1)	A	$	546,527	A/C	11.7%
Less:					
Qualifying non-controlling interests			231		
Qualifying trust preferred securities			34,326		
Preferred stock			129,378		
Estimated Tier 1 common equity (non-GAAP)(2)	B	$	382,592	B/C	8.2%
Estimated risk-weighted assets (regulatory)(2)	C	$	4,656,567		
Leverage ratio (regulatory)(3)			9.1		
Tier 1 risk-based capital ratio (regulatory)(4)			11.7		
Total risk-based capital ratio (regulatory)(5)			13.0		

(1) Under the guidelines of the Federal Reserve and the FDIC in effect as of June 30, 2010, Tier 1 capital consisted of common stock, retained earnings, non-cumulative perpetual preferred stock, trust preferred securities up to a certain limit, and minority interests in certain subsidiaries, less most other intangible assets. As reflected above,

our trust preferred securities qualified as Tier 1 capital for us as of June 30, 2010, subject to certain limitations. The Dodd-Frank Act, which the President of the United States signed into law on July 21, 2010, among other things, allows us to continue to count our current trust preferred securities as Tier 1 capital, but will affect the qualification of any future trust preferred securities that we may issue as Tier 1 capital. For more information about our current trust preferred securities, see Note 10, Junior Subordinated and Subordinated Debt beginning on page 107 of our Annual Report on Form 10-K for the year ended

December 31, 2009, which is incorporated by reference in this prospectus supplement, and Risk Factors We operate in a highly regulated environment and the laws and regulations that govern our operations, corporate governance, executive compensation and accounting principles, or changes in them, or our failure to comply with them, may adversely affect us , and State and federal banking agencies periodically conduct examinations of our business, including for compliance with laws and regulations, and our failure to comply with any supervisory actions to which we are or become subject as a result of such examinations may adversely affect us .

(2) Tier 1 common equity is often expressed as a percentage of risk-weighted assets. Under the risk-based capital framework, a bank s balance sheet assets and credit equivalent amounts of off-balance sheet items are assigned to one of four broad risk categories. The aggregated dollar amount in each category is then multiplied by the risk weighting assigned to that category. The resulting weighted values from each of the four categories are added together and this sum is the risk-weighted assets total that, as adjusted, comprises the denominator of certain risk-based capital ratios. Tier 1 capital is then divided by this denominator (risk-weighted assets) to determine the Tier 1 capital ratio. Adjustments are made to Tier 1 capital to arrive at Tier 1 common equity. Tier 1 common equity is also divided by the risk-weighted assets to determine the Tier 1 common equity ratio. The amounts disclosed as risk-weighted assets are calculated consistent with banking regulatory requirements. Because Tier 1 common equity is not formally defined by GAAP or codified in the federal banking regulations, this measure is considered to be a non-GAAP financial measure and other entities may calculate it differently than our disclosed calculation. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. To mitigate these limitations, the Company has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components and to ensure that the company s capital performance is properly reflected for period-to-period comparisons. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP.

(3) The leverage ratio is obtained by dividing the Company s Tier 1 capital by its average total assets.

(4) The Tier 1 risk-based capital ratio is obtained by dividing the Company s Tier 1 capital by its total risk-adjusted assets and certain off-balance-sheet items. Tier 2 capital consists of preferred stock not qualifying as Tier 1 capital, limited amounts of subordinated debt, other qualifying term debt, a limited amount of the allowance for loan and lease losses and certain other instruments that have some characteristics of equity, subject to certain other requirements and limitations of the federal banking supervisory agencies.

(5) The total risk-based capital ratio is obtained by dividing the sum of the Company s Tier 1 capital and Tier 2 capital by its total risk adjusted assets and certain off-balance sheet items.

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SUMMARY SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth summary historical consolidated financial information as of and for the years ended December 31, 2009, 2008, 2007, 2006 and 2005, and as of and for the six months ended June 30, 2010 and 2009. The 2009, 2008 and 2007 results of operations reflect the retroactive reclassification of certain activities of our Partners First credit operation to discontinued operations. The Company determined to sell its credit card segment in the first quarter of 2010. The summary historical financial information as of and for the six months ended June 30, 2010 and 2009 is unaudited. This unaudited financial information has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data for such period. The results of operations for the six months ended June 30, 2010 are not necessarily indicative of the results of operations to be expected for the full year or any future period. You should read this summary of selected consolidated financial information together with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2010, as amended by our Quarterly Report on Form 10-Q/A filed on August 18, 2010, which are incorporated by reference herein.

	As and For the Six Months Ended June 30,		As of and For the Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(Dollars in thousands, except per share data)						
Results of Operations:							
Interest income	$ 138,734	$ 140,464	$ 276,023	$ 295,591	$ 305,822	$ 233,085	$ 134,910
Interest expense	26,560	38,933	73,734	100,683	125,933	84,297	32,568
Net interest income	112,174	101,531	202,289	194,908	179,889	148,788	102,342
Provision for credit losses	51,862	57,557	149,099	68,189	20,259	4,660	6,179
Net interest income after provision for credit losses	60,312	43,974	53,190	126,719	159,630	144,128	96,163
Non-interest income:							
Net securities impairment charges recognized in earnings	(1,174)	(40,079)	(43,784)	(156,832)	(2,861)		
Mark to market gains, net	6,551	3,622	3,631	9,033	2,418		
Gain on sales of securities, net	14,297	10,874	16,100	138	434	(4,436)	69
Other non-interest income	15,715	13,202	7,213	29,724	22,542	17,870	12,069
Total non-interest income (loss)(1)	35,389	(12,381)	(16,840)	(117,937)	22,533	13,434	12,138
Non-interest expense(1)	94,103	141,209	221,704	288,288	131,011	96,086	64,864

Income (loss) from continuing operations before income taxes	1,598	(109,616)	(185,354)	(279,506)	51,152	61,476	43,437
Benefit (expense) for income taxes(1)	(1,751)	(11,471)	(38,390)	(49,496)	16,674	21,587	15,372
Income (loss) from continuing operations	3,349	(98,145)	(146,964)	(230,010)	34,478	39,889	28,065
Loss from discontinued operations, net of tax benefit	(1,737)	(2,434)	(4,442)	(6,450)	(1,603)		
Net income (loss)	1,612	(100,579)	(151,406)	(236,460)	32,875	39,889	28,065
Dividends and accretion on preferred stock	4,933	4,856	9,472	1,081			
Net (loss)/income available to common shareholders	(3,321)	(105,435)	(161,148)	(237,541)	32,875	39,889	28,065
Selected Balance Sheet Data:							
Cash and cash equivalents, plus money market investments	$ 565,686	$ 737,615	$ 450,859	$ 139,954	$ 115,629	$ 264,880	$ 174,336

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	As and For the Six Months Ended June 30,		As of and For the Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(Dollars in thousands, except per share data)						
vestment securities trading	40,632	95,070	58,670	119,237	240,440		
vestment securities vailable-for-sale	798,284	454,427	744,598	437,862	486,354	444,826	633,362
vestment securities held to aturity	4,610	7,483	7,482	8,278	9,406	97,495	115,171
vestments in restricted ock	40,418	41,061	41,378	41,047	27,003	18,483	14,456
oans:							
eld for investment, net of eferred fees	4,129,950	4,028,867	4,079,639	4,095,711	3,633,009	3,003,222	1,793,337
ess: allowance for credit sses	(110,012)	(84,143)	(108,623)	(74,827)	(49,305)	(33,551)	(21,192
otal Loans	4,019,938	3,944,724	3,971,016	4,020,884	3,583,704	2,969,671	1,772,145
remises and equipment, net	118,743	136,653	125,883	140,910	143,421	99,859	58,430
oodwill and other intangible ssets	41,307	53,110	43,121	100,000	242,180	148,230	5,164
ther assets acquired through oreclosure, net	104,365	42,147	83,347	14,545			
ther assets:	225,496	189,246	226,925	220,044	194,962	144,643	84,207
eposits:							
on-interest-bearing demand	1,330,357	1,108,608	1,157,013	1,010,625	1,007,642	1,154,245	980,009
terest-bearing	3,899,727	3,283,649	3,565,089	2,641,641	2,539,280	2,246,178	1,413,803
otal deposits	5,230,084	4,392,257	4,722,102	3,652,266	3,546,922	3,400,423	2,393,812
ustomer repurchase greements	87,131	300,436	223,269	321,004	275,016	170,656	78,170
ther borrowings		254,418	29,352	637,118	544,699	69,011	80,512
unior subordinated debt	36,323	42,348	42,438	43,038	62,240	61,857	30,928
ubordinated debt		60,000	60,000	60,000	60,000	40,000	
ther liabilities	30,083	30,440	100,393	33,838	25,591	19,078	29,626
tockholders equity:							
referred Stock	129,378	126,559	127,945	125,203			
ommon Stock	7	7	7	4	3	3	2
urplus	688,260	680,135	684,092	484,205	377,973	287,553	167,632
etained deficit	(245,045)	(186,011)	(241,724)	(85,824)	152,286	126,170	86,281
ccumulated other omprehensive income (loss)	3,258	(1,939)	5,405	28,491	(28,744)	(5,147)	(9,692
otal stockholders equity	575,858	621,637	575,725	495,497	501,518	408,579	244,223
otal liabilities and ockholders equity	5,959,479	5,701,536	5,753,279	5,242,761	5,016,096	4,169,604	2,857,271

(1) In the first quarter of 2010, we decided to sell our credit card segment, Partners First, and have presented certain activities as discontinued operations. Prior to the discontinued operations, non-interest income (loss) for the years

ended 2009, 2008 and 2007 was ($15.0 million), ($117.0 million) and $22.5 million, respectively. Also, prior to the discontinued operations, non-interest expense for the years ended 2009, 2008 and 2007 was $231.2 million, $300.3 million and $133.8 million, respectively, and benefit (expense) for income taxes was ($41.6 million), ($54.2 million) and $15.5 million, respectively. For the years ended 2009, 2008 and 2007, non-interest income (loss) related to credit card fees of $1.8 million, $891,000 and $5,000, respectively, was retroactively reclassified to loss from discontinued operations net of tax benefits. In addition, non-interest expenses of $9.5 million, $12.0 million and $2.8 million for the years ended 2009, 2008 and 2007, respectively, were moved to discontinued operations net of tax benefits. The benefit (expense) for income taxes included in the loss from discontinued operations was $3.2 million, $4.7 million, and $1.2 million for the years ended 2009, 2008 and 2007, respectively. The resulting net loss from discontinued operations net of tax for the years ended 2009, 2008 and 2007 was $4.4 million, $6.5 million and $1.6 million, respectively. This reclassification had no effect on net income, earnings per share or the consolidated balance sheets.

RISK FACTORS

An investment in the notes involves certain risks. You should carefully consider the risks described below and the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, as amended by our Quarterly Report on Form 10-Q/A filed on August 18, 2010, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The market value of the notes could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.

Risks Relating to Our Business

The Company is highly dependent on real estate and events that negatively impact the real estate market will hurt our business and earnings

The Company is located in areas in which economic growth is largely dependent on the real estate market, and a significant portion of our loan portfolio is dependent on real estate. As of June 30, 2010, real estate related loans accounted for a significant percentage of total loans. Real estate values have been declining in our markets, in some cases in a material and even dramatic fashion, which affects collateral values and has resulted in increased provisions for loan losses. We expect the weakness in these portions of our loan portfolio to continue through 2010. Accordingly, it is anticipated that our nonperforming asset and charge-off levels will remain elevated.

Further, the effects of recent mortgage market challenges, combined with the ongoing decrease in residential real estate market prices and demand, could result in further price reductions in home values, adversely affecting the value of collateral securing the residential real estate and construction loans that we hold, as well as loan originations and gains on sale of real estate and construction loans. A further decline in real estate activity would likely cause a further decline in asset and deposit growth and further negatively impact our earnings and financial condition.

The Company s high concentration of commercial real estate, construction and land development and commercial, industrial loans expose us to increased lending risks

Commercial real estate, construction and land development and commercial and industrial loans, comprised approximately 85% of our total loan portfolio as of June 30, 2010, and expose the Company to a greater risk of loss than residential real estate and consumer loans, which comprised a smaller percentage of the total loan portfolio at June 30, 2010. Commercial real estate and land development loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to residential loans. Consequently, an adverse development with respect to one commercial loan or one credit relationship exposes us to a significantly greater risk of loss compared to an adverse development with respect to one residential mortgage loan.

Actual credit losses may exceed the losses that we expect in our loan portfolio, which could require us to raise additional capital. If we are not able to raise additional capital, our financial condition, results of operations and capital would be materially and adversely affected

Credit losses are inherent in the business of making loans. We make various assumptions and judgments about the collectability of our consolidated loan portfolio and maintain an allowance for estimated credit losses based on a number of factors, including the size of the portfolio, asset classifications, economic trends, industry experience and trends, industry and geographic

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concentrations, estimated collateral values, management s assessment of the credit risk inherent in the portfolio, historical loan loss experience and loan underwriting policies. In addition, the Company evaluates all loans identified as problem loans and augments the allowance based upon our estimation of the potential loss associated with those problem loans. Additions to the allowance for credit losses recorded through our provision for credit losses decrease net income. If such assumptions and judgments are incorrect, our actual credit losses may exceed our allowance for credit losses.

At June 30, 2010, our allowance for credit losses was $110 million. In recent periods, we have added to our allowance for credit losses due to the deteriorating real estate markets in Nevada, Arizona and California. Continuing deterioration in the real estate market, and in particular the commercial real estate market, could affect the ability of our loan customers to service their debt, which could result in additional loan provisions and subsequent increases in our allowance for credit losses in the future. Moreover, because future events are uncertain and because we may not successfully identify all deteriorating loans in a timely manner, there may be loans that deteriorate in an accelerated time frame. If actual credit losses materially exceed our allowance for credit losses, we may be required to raise additional capital, which may not be available to us on acceptable terms or at all. Our inability to raise additional capital on acceptable terms when needed could materially and adversely affect our financial condition, results of operations and capital.

In addition, we may be required to increase our allowance for credit losses based on changes in economic and real estate market conditions, new information regarding existing loans, input from regulators in connection with their review of our allowance, identification of additional problem loans and other factors, both within and outside of our management s control. Increases to our allowance for credit losses would negatively affect our financial condition and earnings.

If actual credit losses exceed our provision for credit losses, we may also be required to record a valuation allowance against our deferred tax assets

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some or all deferred tax assets will not be realized. This determination is based upon an evaluation of all available positive or negative evidence. As a result of losses incurred in 2008 and 2009, the Company is in a three-year cumulative pretax loss position at June 30, 2010. A cumulative loss position is considered significant negative evidence in assessing the realizability of a deferred tax asset. The Company has assessed its ability to utilize deferred tax assets, and although the Company has a 20-year carryforward period, we currently forecast sufficient taxable income to utilize the deferred tax asset within five years including under stressed conditions. In addition, management has identified tax planning strategies that would also be available to utilize deferred tax assets. The Company has concluded that there is sufficient positive evidence to overcome negative evidence, and that it is not more likely than not that deferred tax assets will not be realized. However, if future results underperform management s forecasts, the Company may be required to record a valuation allowance against some or all of its deferred tax assets.

We could be required to revalue our deferred tax assets if stock transactions result in limitations on the deductibility of our net operating losses or loan losses

Our deferred tax assets relate primarily to net operating losses and loan loss allowances. The availability of net operating losses and loan losses to offset future taxable income would be limited if we were to undergo an ownership change pursuant to Section 382 of the Internal Revenue Code of 1986, as amended. Subject to any required shareholder approval, we may in the future seek to impose restrictions on the transfer of our stock to prevent stock transactions that would result in an ownership change (any such restrictions would most likely affect 5% stockholders or those persons who would seek to acquire 5% of our stock). Notwithstanding any restrictions that we may implement, there can be no assurance that they would be upheld if challenged, or that the restrictions and any remedies or cures for violations would be respected by taxing or other authorities. Further, such restrictions, if implemented, could adversely affect the marketability and market price for our stock.

The Company s financial instruments expose it to certain market risks and may increase the volatility of reported earnings

The Company holds certain financial instruments measured at fair value. For those financial instruments measured at fair value, the Company is required to recognize the changes in the fair value of such instruments in earnings. Therefore, any increases or decreases in the fair value of these financial instruments have a corresponding impact on reported earnings. Fair value can be affected by a variety of factors, many of which are beyond our control, including our credit position, interest rate volatility, volatility in capital markets and other economic factors. Accordingly, our earnings are subject to mark-to-market risk and the application of fair value accounting may cause our earnings to be more volatile than would be suggested by our underlying performance.

If the Company lost a significant portion of its low-cost deposits, it could negatively impact our liquidity and profitability

The Company s profitability depends in part on successfully attracting and retaining a stable base of low-cost deposits. While we generally do not believe these core deposits are sensitive to interest rate fluctuations, the competition for these deposits in our markets is strong and customers are increasingly seeking investments that are safe, including the purchase of U.S. Treasury securities and other government-guaranteed obligations, as well as the establishment of accounts at the largest, most-well capitalized banks. If the Company were to lose a significant portion of its low-cost deposits, it would negatively impact its liquidity and profitability.

From time to time, the Company has been dependent on borrowings from the FHLB and the FRB, and there can be no assurance these programs will be available as needed

While it currently has no outstanding borrowings from the FHLB of San Francisco and the FRB, the Company in the recent past has been reliant on such borrowings to satisfy its liquidity needs. The Company s borrowing capacity is generally dependent on the value of the Company s collateral pledged to these entities. These lenders could reduce the borrowing capacity of the Company or eliminate certain types of collateral and could otherwise modify or even terminate its loan programs. Any change or termination would have an adverse affect on the Company s liquidity and profitability.

A decline in the Company s stock price or expected future cash flows, or a material adverse change in our results of operations or prospects, could result in further impairment of our goodwill

Since January 1, 2008, we have written off $191.9 million in goodwill. A further significant and sustained decline in our stock price and market capitalization, a significant decline in our expected future cash flows, a significant adverse change in the business climate or slower growth rates could result in additional impairment of our goodwill. If we were to conclude that a future write-down of our goodwill is necessary, then we would record the appropriate charge, which could be materially adverse to our operating results and financial position. For further discussion, see Note 6, Goodwill and Other Intangible Assets in the notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference in this prospectus supplement.

Any reduction in the Company s credit rating could increase the cost of funding from the capital markets

Moody s Investors Service regularly evaluates its ratings of us and our long-term debt based on a number of factors, including our financial strength as well as factors not entirely within our control, including conditions affecting the financial services industry generally. In light of the difficulties in the financial services industry and the housing and financial markets, there can be no assurance that we will not be subject to credit downgrades. Credit ratings measure a company s ability to repay its obligations and directly affect the cost and availability to that company of unsecured financing. Downgrades could adversely affect the cost and other terms upon which we are able to obtain funding and increase our cost of capital.

The Company s expansion strategy may not prove to be successful and our market value and profitability may suffer

The Company continually evaluates expansion through acquisitions of banks, the organization of new banks and the expansion of our existing banks through establishment of new branches. Any future acquisitions will be accompanied by the risks commonly encountered in acquisitions. These risks include, among other things: 1) difficulty of integrating the operations and personnel; 2) potential disruption of our ongoing business; and 3) inability of our management to maximize our financial and strategic position by the successful implementation of uniform product offerings and the incorporation of uniform technology into our product offerings and control systems.

The recent crisis also revealed and caused risks that are unique to acquisitions of financial institutions and banks, and that are difficult to assess, including the risk that the acquired institution has troubled, illiquid, or bad assets or an unstable base of deposits or assets under management. The Company expects that competition for suitable acquisition candidates may be significant. We may compete with other banks or financial service companies with similar acquisition strategies, many of which are larger and have greater financial and other resources. The Company cannot assure you that we will be able to successfully identify and acquire suitable acquisition targets on acceptable terms and conditions.

In addition to the acquisition of existing financial institutions, the Company may consider the organization of new banks in new market areas. We do not have any current plans to organize a new bank. Any acquisition or organization of a new bank carries with it numerous risks, including the following:

- the inability to obtain all required regulatory approvals;
- significant costs and anticipated operating losses during the application and organizational phases, and the first years of operation of the new bank;
- the inability to secure the services of qualified senior management;
- the local market may not accept the services of a new bank owned and managed by a bank holding company headquartered outside of the market area of the new bank;
- the inability to obtain attractive locations within a new market at a reasonable cost; and
- the additional strain on management resources and internal systems and controls.

The Company cannot provide any assurance that it will be successful in overcoming these risks or any other problems encountered in connection with acquisitions and the organization of new banks. Further, as described below, certain of the Company s bank subsidiaries, including the Bank of Nevada, are currently subject to a memorandum of understanding, which, among other things, imposes limitations on the Company s ability to grow its business. The Company s inability to overcome these risks could have an adverse effect on the achievement of our business strategy and maintenance of our market value.

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The Company may not be able to control costs and its business, financial condition, results of operations and prospects could suffer

Our ability to manage our business successfully will depend in part on our ability to maintain low-cost deposits and to control operating costs. If the Company is not able to efficiently manage our costs, results of operations could suffer.

The Company may not be able to implement and improve its controls and processes, or its reporting systems and procedures, which could cause it to experience compliance and operational problems or incur additional expenditures beyond current projections, any one of which could adversely affect our financial results

The Company s future success will depend on the ability of officers and other key employees to continue to implement and improve operational, credit, financial, management and other internal risk controls and processes, and improve reporting systems and procedures, while at the same time maintaining and growing existing businesses and client relationships. We may not successfully implement such improvements in an efficient or timely manner and may discover deficiencies in existing systems and controls. Such activities would divert management from maintaining and growing our existing businesses and client relationships and could require us to incur additional expenditures to expand our administrative and operational infrastructure. If we are unable to improve our controls and processes, or our reporting systems and procedures, we may experience compliance and operational problems or incur additional expenditures beyond current projections, any one of which could adversely affect our financial results.

The Company s future success will depend on our ability to compete effectively in a highly competitive market

The Company faces substantial competition in all phases of our operations from a variety of different competitors. Our competitors, including commercial banks, community banks, savings and loan associations, mutual savings banks, credit unions, consumer finance companies, insurance companies, securities dealers, brokers, mortgage bankers, investment advisors, money market mutual funds and other financial institutions, compete with lending and deposit-gathering services offered by us. Increased competition in our markets may result in reduced loans and deposits.

There is very strong competition for financial services in the market areas in which we conduct our businesses from many local commercial banks as well as numerous national and commercial banks and regionally based commercial banks. Many of these competing institutions have much greater financial and marketing resources than we have. Due to their size, many competitors can achieve larger economies of scale and may offer a broader range of products and services than us. If we are unable to offer competitive products and services, our business may be negatively affected.

Some of the financial services organizations with which we compete are not subject to the same degree of regulation as is imposed on bank holding companies and federally insured depository institutions. As a result, these non-bank competitors have certain advantages over us in accessing funding and in providing various services. The banking business in our primary market areas is very competitive, and the level of competition facing us may increase further, which may limit our asset growth and financial results.

The success of the Company is dependent upon its ability to recruit and retain qualified employees especially seasoned relationship bankers

The Company s business plan includes and is dependent upon hiring and retaining highly qualified and motivated executives and employees at every level. In particular, our relative success to date has been partly the result of our management s ability to seek and retain highly qualified relationship bankers that have long-standing relationships in their communities. These professionals bring with them valuable customer relationships and have been an integral part of our ability to attract

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deposits and to expand our market areas. Our declining stock price and new government limits on employee compensation for TARP recipients could make it more difficult to recruit and retain people. From time to time, the Company recruits or utilizes the services of employees who are subject to the limitations on their ability to use confidential information of a prior employer, to freely compete with that employer, or to solicit customers of that employer. If the Company is unable to hire or retain qualified employees it may not be able to successfully execute its business strategy. If the Company is found to have violated any nonsolicitation or other restrictions applicable to it or its employees, the Company or its employee could become subject to litigation or other proceedings.

The limitations on bonuses, retention awards and incentive compensation contained in ARRA may adversely affect the Company s ability to retain its highest performing employees

Competition for qualified personnel in the banking industry is intense and there are a limited number of persons both knowledgeable and experienced in our industry. The process of recruiting personnel with the combination of skills and attributes required to carry out the Company s strategic initiatives is often lengthy. In addition, for so long as any equity or debt securities that were issued to the Treasury under TARP remain outstanding, ARRA restricts bonuses, retention awards and other compensation payable to an institution s senior executive officers and certain other highly paid employees. It is possible that the Company may be unable to create a compensation structure that permits us to retain our highest performing employees or recruit additional employees, especially if we are competing against institutions that are not subject to the same restrictions. If this were to occur, our business and results of operations could be materially adversely affected.

The Company would be harmed if it lost the services of any of its senior management team or senior relationship bankers

We believe that our success to date has been substantially dependent on our senior management team, which includes Robert Sarver, our Chairman and Chief Executive Officer, Kenneth Vecchione, our President and Chief Operating Officer, Dale Gibbons, our Chief Financial Officer, Duane Froeschle, our Chief Credit Officer, Bruce Hendricks, Chief Executive Officer of Bank of Nevada, James Lundy, President and Chief Executive Officer of Alliance Bank of Arizona, Gerald Cady, Chief Executive Officer of Torrey Pines Bank, James DeVolld, President and Chief Executive Officer of First Independent Bank of Nevada, and certain of our senior relationship bankers. We also believe that our prospects for success in the future are dependent on retaining our senior management team and senior relationship bankers. In addition to their skills and experience as bankers, these persons provide us with extensive community ties upon which our competitive strategy is based. Our ability to retain these persons may be hindered by the fact that we have not entered into employment agreements with any of them. The loss of the services of any of these persons, particularly Mr. Sarver, could have an adverse effect on our business if we cannot replace them with equally qualified persons who are also familiar with our market areas. See also The limitations on bonuses, retention awards and incentive compensation contained in ARRA may adversely affect our ability to retain our highest performing employees .

Mr. Sarver s involvement in outside business interests requires substantial time and attention and may adversely affect the Company s ability to achieve its strategic plan

Mr. Sarver joined the Company in December 2002 and is an integral part of our business. He has substantial business interests that are unrelated to us, including his position as managing partner of the Phoenix Suns National Basketball Association franchise. Mr. Sarver s other business interests demand significant time commitments, the intensity of which may vary throughout the year. Mr. Sarver s other commitments may reduce the amount of time he has available to devote to our business. We believe that Mr. Sarver spends the substantial majority of his business time on matters related to our company. However, a significant reduction in the amount of time Mr. Sarver devotes to our business may adversely affect our ability to achieve our strategic plan.

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Terrorist attacks and threats of war or actual war may impact all aspects of our operations, revenues, costs and stock price in unpredictable ways

Terrorist attacks in the United States, as well as future events occurring in response or in connection to them including, without limitation, future terrorist attacks against United States targets, rumors or threats of war, actual conflicts involving the United States or its allies or military or trade disruptions, may impact our operations. Any of these events could cause consumer confidence and savings to decrease or result in increased volatility in the United States and worldwide financial markets and economy. Any of these occurrences could have an adverse impact on the Company s operating results, revenues and costs and may result in the volatility of the market price for our securities, including the notes, and impair their future price.

The Company is subject to a U.S. federal income tax audit in respect of the claim of certain deductions arising from the impairment of our collateralized debt obligations, which resulted in an approximately $37 million tax refund for the 2006 and 2007 taxable periods

The Company is subject to a U.S. federal income tax audit in respect of the claim of certain deductions arising from the impairment of our collateralized debt obligations, or CDOs, which resulted in an approximately $37 million tax refund for the 2006 and 2007 taxable periods. To date, the Internal Revenue Service has not asserted any proposed adjustments or assessments with respect to the audit. Although we believe that the CDO related deductions will be respected for U.S. federal income tax purposes, we cannot assure you that the Internal Revenue Service would not successfully challenge some or all of such deductions. If the Internal Revenue Service were to successfully challenge some or all of such deductions, the Company may be subject to a tax liability in the amount of the $37 million refund, or portion thereof (excluding penalties or interest). The Company has not accrued a reserve for this potential exposure.

The business may be adversely affected by internet fraud

The Company is inherently exposed to many types of operational risk, including those caused by the use of computer, internet and telecommunications systems. These risks may manifest themselves in the form of fraud by employees, by customers, other outside entities targeting us and/or our customers that use our internet banking, electronic banking or some other form of our telecommunications systems. Given the growing level of use of electronic, internet-based, and networked systems to conduct business directly or indirectly with our clients, certain fraud losses may not be avoidable regardless of the preventative and detection systems in place.

Risks Related to the Banking Industry

We operate in a highly regulated environment and the laws and regulations that govern our operations, corporate governance, executive compensation and accounting principles, or changes in them, or our failure to comply with them, may adversely affect us

The Company is subject to extensive regulation, supervision, and legislation that governs almost all aspects of our operations. See Management s Discussion and Analysis Supervision and Regulation included in our Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference in this prospectus supplement. Intended to protect customers, depositors and deposit insurance funds, these laws and regulations, among other matters, prescribe minimum capital requirements, impose limitations on the business activities in which we can engage, limit the dividends or distributions that our banking institutions can pay to our holding company, restrict the ability of institutions to guarantee our parent company s debt, impose certain specific accounting requirements on us that may be more restrictive and may result in greater or earlier charges to earnings or reductions in our capital than generally accepted accounting principles, among other things. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations often impose additional compliance costs. Further, our failure to comply with these laws and

regulations, even if the failure follows good faith effort or reflects a difference in interpretation, could subject the Company to additional restrictions on its business activities, fines and other penalties, any of which could adversely affect our results of operations, capital base and the price of our securities.

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, into law. The Dodd-Frank Act will have a broad impact on the financial services industry, including significant regulatory and compliance changes. Many of the requirements called for in the Dodd-Frank Act will be implemented over time and most will be subject to implementing regulations over the course of several years. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on our operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities, require changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage requirements or otherwise adversely affect our business. In particular, the potential impact of the Dodd-Frank Act on our operations and activities, both currently and prospectively, include, among others:

- a reduction in our ability to generate or originate revenue-producing assets as a result of compliance with heightened capital standards;
- increased cost of operations due to greater regulatory oversight, supervision and examination of banks and bank holding companies, and higher deposit insurance premiums;
- the limitation on our ability to raise capital through the use of trust preferred securities as these securities may no longer be included as Tier 1 capital going forward; and
- the limitation on our ability to expand consumer product and service offerings due to anticipated stricter consumer protection laws and regulations.

Further, we may be required to invest significant management attention and resources to evaluate and make any changes necessary to comply with new statutory and regulatory requirements under the Dodd-Frank Act. Failure to comply with the new requirements may negatively impact our results of operations and financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to our investors.

State and federal banking agencies periodically conduct examinations of our business, including for compliance with laws and regulations, and our failure to comply with any supervisory actions to which we are or become subject as a result of such examinations may adversely affect us

State and federal banking agencies periodically conduct examinations of our business, including for compliance with laws and regulations. If, as a result of an examination, the FDIC or Federal Reserve were to determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of the banks operations had become unsatisfactory, or that any of the banks or their management was in violation of any law or regulation, the FDIC or Federal Reserve may take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin unsafe or unsound practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in the bank s capital, to restrict the bank s growth, to assess civil monetary penalties against the bank s officers or directors, to remove officers and directors and, if the FDIC concludes that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate the bank s deposit insurance. Under Nevada, Arizona and California law, the respective state banking supervisory authority has many of the same remedial powers with respect to its state-chartered banks.

As previously disclosed in our filings with the SEC, on November 16, 2009 the FDIC issued a consent order with respect to our Torrey Pines Bank subsidiary relating to an alleged violation of the Equal Credit Opportunity Act (ECOA) at the bank s PartnersFirst credit card division. Pursuant to the consent order, Torrey Pines Bank has consented to take certain actions to enhance a variety of its policies, procedures and processes regarding management and board oversight, holding company and affiliate transactions, compliance programs with training, monitoring and audit procedures, and risk management. In addition, the FDIC has placed certain of our other banking subsidiaries, including Bank of Nevada, under informal supervisory oversight in the form of memoranda of understanding, or MOU. In certain cases, including Bank of Nevada, the banks affected by the foregoing regulatory actions are required to maintain higher levels of Tier 1 capital than otherwise would be required to be considered well-capitalized under federal capital guidelines and may not issue dividends, make distributions or otherwise provide liquidity to the Company, without prior regulatory approval. In addition, certain banks are required to obtain the non-objection of bank regulators before engaging in any transaction that would materially change its balance sheet composition.

If we were unable to comply with regulatory directives in the future, or if we were unable to comply with the terms of any future supervisory requirements to which we may become subject, then we could become subject to additional supervisory actions and orders, including cease and desist orders, prompt corrective action and/or other regulatory enforcement actions. If our regulators were to take such additional supervisory actions, then we could, among other things, become subject to greater restrictions on our ability to develop any new business, as well as restrictions on our existing business, and we could be required to raise additional capital, dispose of certain assets and liabilities within a prescribed period of time, or both. Failure to implement the measures in the time frames provided, or at all, could result in additional orders or penalties from federal and state regulators, which could result in one or more of the remedial actions described above. The terms of any such supervisory action and the consequences associated with any failure to comply therewith could have a material negative effect on our business, operating flexibility and financial condition.

Changes in interest rates could adversely affect our profitability, business and prospects

Most of the Company s assets and liabilities are monetary in nature, which subjects us to significant risks from changes in interest rates and can impact our net income and the valuation of our assets and liabilities. Increases or decreases in prevailing interest rates could have an adverse effect on our business, asset quality and prospects. The Company s operating income and net income depend to a great extent on our net interest margin. Net interest margin is the difference between the interest yields we receive on loans, securities and other interest earning assets and the interest rates we pay on interest bearing deposits, borrowings and other liabilities. These rates are highly sensitive to many factors beyond our control, including competition, general economic conditions and monetary and fiscal policies of various governmental and regulatory authorities, including the Federal Reserve. If the rate of interest we pay on our interest bearing deposits, borrowings and other liabilities increases more than the rate of interest we receive on loans, securities and other interest earning assets, our net interest income, and therefore our earnings, would be adversely affected. The Company s earnings also could be adversely affected if the rates on our loans and other investments fall more quickly than those on our deposits and other liabilities.

In addition, loan volumes are affected by market interest rates on loans. Rising interest rates generally are associated with a lower volume of loan originations while lower interest rates are usually associated with higher loan originations. Conversely, in rising interest rate environments, loan repayment rates will decline and in falling interest rate environments, loan repayment rates will increase. The Company cannot guarantee that it will be able to minimize interest rate risk. In addition, an increase in the general level of interest rates may adversely affect the ability of certain borrowers to pay the interest on and principal of their obligations.

Interest rates also affect how much money the Company can lend. When interest rates rise, the cost of borrowing increases. Accordingly, changes in market interest rates could materially and

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adversely affect our net interest spread, asset quality, loan origination volume, business, financial condition, results of operations and cash flows.

The Company is exposed to risk of environmental liabilities with respect to properties to which we obtain title

Approximately 65% of the Company s loan portfolio at June 30, 2010 was secured by real estate. In the course of our business, the Company may foreclose and take title to real estate, and could be subject to environmental liabilities with respect to these properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination, or may be required to investigate or clean up hazardous or toxic substances, or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. These costs and claims could adversely affect our business and prospects.

Risks Relating to our Indebtedness and an Investment in the Notes

Our indebtedness could adversely affect our financial results and prevent us from fulfilling our obligations under the notes

In addition to our currently outstanding indebtedness and any additional indebtedness we may incur pursuant to any offering of the notes related to this prospectus supplement, we may be able to borrow substantial additional unsecured indebtedness in the future. If new indebtedness is incurred in addition to our current debt levels, the related risks that we now face could increase.

Our indebtedness, including the indebtedness we may incur in the future, could have important consequences for the holders of the notes, including:

- limiting our ability to satisfy our obligations with respect to the notes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- requiring a substantial portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness and thereby reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and

Vice President - Mutual Funds

Treasurer

Secretary

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SCHEDULE II
INFORMATION WITH RESPECT TO
TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR
SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

DATE	SHARES PURCHASED SOLD(-)	AVERAGE PRICE(2)
COMMON STOCK-PARK-OHIO HLDGS CORP		
GAMCO ASSET MANAGEMENT INC.		
3/16/09	9,700	3.4958
3/13/09	10,500	3.4721
3/12/09	4,800	1.8801
2/26/09	400	3.5500
2/23/09	500	3.9340
2/10/09	2,100	3.9600
2/09/09	900	3.9000
2/05/09	3,400	3.6606
2/03/09	1,600	3.5200
2/03/09	4,400	3.7000
2/02/09	600	3.7000

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED ON THE NASDAQ GLOBAL SELECT MARKET.

(2) PRICE EXCLUDES COMMISSION.

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