

Bankers' Revolving Door

Loan pros trade big-bank nameplates for smaller ones

By Gregory Seay

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After five years helping Bank of America plant its flag in Connecticut, banker Mike Duffany found himself chafing at the lending giant's daily grind.

The \$2.3 trillion-asset bank's centralized decisions, Duffany says, left him out of the loop on if, or when, his small-business customers got credit. The unrelenting quotas to sell them products and services also wore thin.

He was eager, he says, to downsize.

Meanwhile, tiny Northwest Community Bank in Winsted sought a banker with both commercial lending and retail-banking experience who could burnish its banking operation.

Both struck gold.

Other Connecticut banks, too, are finding it easier to recruit talent from major financial institutions as the luster dulls on large, money-center banks caught in the downdraft of the financial crisis. As the recession curtailed lending, big banks were forced to cut expenses, mostly by shedding bankers.

In January, Duffany left Bank of America's Torrington office to become a commercial loan officer at Northwest, where his office is next door to the two top officers at the \$287 million bank.

"Ever since I got here, it's just like I thought it would be," said Duffany, 42. "It feels like a family."



Ginger B. Siegel, Senior Vice President,
Webster Bank

Bank headhunters like Tim Loughlin of Madison say there are plenty more Duffanys around.

“To be honest, a lot of these guys are being let go,” said Loughlin, who runs Bankers Search. “What they’re finding is that the places that are hiring are community banks.”

Recruiters say this newest round of banker musical chairs resembles past cycles, when Northeast banking underwent a purge in the early ‘90s. Today as then, some experts question whether the small-bank recruits will stick around once the big lenders recover enough to resume dangling cash and other perks to rebuild their ranks.

For now, Connecticut regional and community banks are reveling in picking off the choicest talent available from big banks.

One of those is \$19 billion-asset Webster Bank, which last fall landed Ginger B. Siegel, who has spent more than 30 years setting up and running small-business loan desks at Citibank, a \$1.9 trillion bank, and failed Washington Mutual, a \$307 billion bank seized by federal regulators in 2008.

Siegel is eager to do the same for Webster, which is doubling its lending — to \$850 million — to New England businesses this year. Businesses with revenues up to \$10 million are Siegel’s turf.

“I came here after being told,” she said, “that small businesses are going to be one of the large, strategic priorities of the organization.”

Webster’s support, Siegel said, is the root of her confidence when she pitches other bankers and staff to join her team.

In Stamford, Rick Zaremski made the leap in early February. He joined First County Bank, a \$1.5 billion lender, from legendary Wall Street investment bank Merrill Lynch. For years there, Zaremski rode herd on commercial loans ranging from \$100,000 to \$25 million.

But the chance to cut his commute from his Norwalk home and to re-team with the banker who got him his first job at old Union Trust Co. in the ‘80s proved irresistible, he said. At First County, Zaremski runs commercial lending.



Rey Giallongo, Executive Vice President,
First County Bank

“We don’t always have these kinds of high-visibility openings at a small bank,” said Executive Vice President Rey Giallongo, Zaremski’s boss at First County and during their Union Trust days.

Giallongo said Zaremski was drawn to the opportunity to be involved directly in decisions about which borrowers get credit, a process often highly concentrated among faceless teams of underwriters and credit analysts inside money-center lenders.

“There’s a frustration level,” Giallongo said of bankers he knows are ready to jump ship. “They don’t have a say in how the accounts are managed.”

In 2002, Giallongo left Wachovia Corp., where he was chief credit officer overseeing 11 Northeast states, to join First County. Two promotions later, the 54-year-old is one of First County’s top officers and insists his big-bank days are behind.



Rick Zaremski, Senior Vice President, First County Bank

Headhunters say business has picked up from this time last year as banks of all sizes scramble to fill their most senior vacancies. But, they warn, the shuffle could turn out to be temporary. Once the economy fully recovers, big banks likely will restaff, using hiring bonuses and other perks as lures, they say. They add, however, this could be a more lasting trend brought on by public mistrust of banks who many blame for sowing the seeds of the financial crisis.

“The local businessmen are totally fed up with the big banks,” Loughlin said. “They prefer to call up a local lender and do business with them.”

Darien luxury auto dealer Paula Callari has that kind of relationship with First County. It dates to her father’s ties to Giallongo’s days with Union Trust back in the ‘70s, continuing up through the time it became Wachovia, and it resumed when Giallongo joined First County. Her BMW, Volvo and Mini Cooper dealerships have their accounts there, Callari said.

If Giallongo returned to a big bank, Callari says she’d think twice about following.

“That would be tough,” she said. “He’d have to tell me why he was doing that.”

But going to work for a small bank is no guarantee, either, experts say. For one thing, small lenders typically lack the array of products and services most big banks offer. The pay also tends to be less.

In addition, bankers used to platoons of assistants and computer technology to manage client accounts usually don't have those at small banks.

Hiring banks also risk alienating insiders who see newcomers as career threats, said job outplacement expert John A. Challenger of Challenger, Gray & Christmas.

Having at least one of the senior officers know who you are doesn't hurt.

John Gergots, chief lending officer and Duffany's boss at Northwest Community Bank, said the two became acquainted when Duffany served on the regional chamber of commerce.

Gergots' promotion was one of two triggered by the retirement last year of former CEO John Ursone. The other is new CEO Steve Reilly. Both Reilly and Gergots are Union Trust veterans.

Duffany got Gergots old job, along with his venerable book of customers in the Northwest Hills and Naugatuck Valley.

"If you're going to hand off a customer to somebody," Gergots said, "you want to hand them off to the right person."