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SERVING MONTECITO AND SUMMERLAND

The Giving List



New Beginnings Counseling Center provides mental health counseling to low-income community members, **page 30**

We Got Bank



WHEN THE FIRST PAYCHECK PROTECTION PROGRAM PASSED AS PART OF THE CARES ACT IN APRIL OF LAST YEAR, MONTECITO BANK & TRUST'S TEAM WORKED DAY AND NIGHT TO GRANT AS MANY LOANS AS POSSIBLE. THE SECOND PPP IS HERE, AND ONCE AGAIN MB&T IS ACCEPTING APPLICATIONS AND "READY TO HELP THE COMMUNITY UNTIL THE MONEY RUNS OUT." (STORY BEGINS ON P. 8)

SB Covid Mess

by A.L. Bardach



I know I am not alone in having friends or family battling COVID – making up a small part of our national tragedy. The more devastating piece for Santa Barbara County is those who are fighting for their next breath at Cottage Hospital after being denied or deemed ineligible for vaccination by the County. In

the last two weeks, I know of six new cases of COVID, four hospitalized, and three who were excluded from the County's rigid tier system because they were not yet 75. Three of them have multiple co-morbidities and two contracted the virus while at Cottage Hospital for their outpatient treatments.

(Story begins on page 5)



Village Beat

CODA Studio opens in Upper Village, offering customizable furniture and decor in a coastal chic design aesthetic, **page 12**

We Got Bank

by Jeff Wing

Bankers Gone Good Reframe the Meaning of Cash



Janet Garufis keeps the MB&T team well energized with baked goods

What – exactly – is a bank? A bank is a financial institution licensed to receive deposits, make loans, and attach ball point pens to countertops with little chains that are inevitably too short by about an inch. A bank, if it chooses, will also advise on managing your wealth, will exchange your greenbacks for hryvnas (if you're headed to the Ukraine), and offer you a safe deposit box for your chewed bubble gum collection.

Some banks, though, aren't satisfied to just sit there and house the flow of cash. Some banks are determined to become community members, like the beloved family dog that doesn't seem to know it's a collie, or Mike Mulligan the Steam Shovel®. "Dude. You know you're a steam shovel, right?" Some banks want to noisily tear loose from their foundations and come lumbering down the street in a cloud of brick dust to be active, and not passive participants in the love parade of human progress – giddy, dough-flinging institutions intent on making us better. The subject of this essay is such a bank... Montecito Bank and Trust – despite its pulse-quickening name – is equal parts engine of human kindness, shoulder to cry on, and village empath. A guy named Michael Towbes made it that way, actually placing himself – his essence, you see – into the intricate workings of his bank (or impact engine, or whatever you'd like to call it). It can thus be said that this Mr. Towbes guy made the most lasting deposit known to banking. Just ask MB&T's EVP, Chief Strategy Officer, and transplanted New Yorker **Megan Orloff**.

"When I first moved here, I remember sitting at Lucky's where we would go all the time. People would ask 'oh, did you move here for work?' I'd say 'Yes, I work at Montecito Bank and Trust.' I was taken aback. Everybody had a story about the bank, and about their knowing Mr. Towbes. It was just that reassurance we needed – we'd made the right decision when we chose Montecito."

Michael? Let us summarize.

Little House in Brentwood

Michael Towbes, Montecito's Patron Pal, was born in Washington, D.C., of all places. Photos of little Michael show early versions of that mesmerizing, doe-eyed smile that in his charmed adulthood would come to typify Towbes' genuine interpersonal mojo. When the Korean War hit, Towbes the Princeton-educated Civil Engineer signed up and was assigned a stateside gig at the Naval Air Missile Test Center in Point Mugu, California. When he met a certain Gail Aronson at a UCLA frat party (as can happen), they fell hard and married – and the destiny train was noisily pulling away from the station. Michael and his new bride were called back to D.C. by the service, where Towbes closed out both his Navy career and tolerance for crummy weather. He and Gail headed back to the sun-drenched West Coast Xanadu from whence their adventure had launched. In short order, Michael met Eli Luria, and a real estate and development juggernaut was born. When the Luria-Towbes Company finally thundered out of the gate – it was to build a single custom home in Brentwood.



Roger Gilbert, a Relief Center team lead working through the pipeline of PPP applications

Call it Proof of Concept.

Luria-Towbes hit their stride in late '50s-era California. Horace Greeley's 19th century "go west!" imprecations were finding a massive mid-20th century audience, and California became the dream landing for millions. Towbes and Luria went their separate ways in 1960—Towbes continuing to develop thousands of family domiciles and workforce-friendly apartments in the tri-counties, amassing the liquidity that would later allow him to, say, help found a bank. In '75 a group that included Towbes did just that. Eight years later, he bought out the rest of the shareholders, and Michael Towbes became Montecito Bank & Trust's sole owner. The guy was determined to make his "bank" a contraption for giving. What an idea.

COVID Relief and the CARES Act (Flinging Open the Doors)

In March of 2020, a viral pandemic loosed itself on the world like something from a B-movie. To slow the contagion and prevent public gatherings, western civ locked down. Millions were thrown out of work. After the usual orating, suspender-snapping, and clever acronym-seeking, Congress passed the CARES Act (Coronavirus Aid, Relief, and Economic Security Act), to make available to stricken small businesses federally backed, forgivable loans – to allay COVID-19 hardship and keep people fluid. One component of CARES was the Paycheck Protection Program (PPP); dough sent from the feds to banks around the country to help their desperate local small businesses.

During that first PPP rollout in April 2020, certain of the large banks dragged their largish asses as they feverishly looked for ways around regulations directing them to pay fees to applications preparers, accountants, and other fiduciary caregivers –professionals enlisted by panicked small businesses to help them navigate the CARES rollout. That is, these marquee banks were trying to increase their share of the CARES administrative monies promised them by the act. These are the self-interested shortcuts, cheats, and systemic cash grabs that appear around federal disbursements like dung beetles after an equatorial spring rain. When COVID relief wasn't inspiring shameless institutional pocket-stuffing, the process scared some well-meaning banks into a slower rollout as they earnestly tried to align their internal systems with the CARES mechanism. Small Business found little comfort in the banking system's less-than-immediate rush to help.

One funky little bank, though, just flung open its doors. "We found out about the CARES act," Megan says. "Within 48 or 72 hours, we'd stood up our system, and we were the only bank to open that day to offer PPP loans."

Reflexive do-gooders sprint barefoot towards burning cars. There were some complications. "Wells Fargo wasn't open, Bank of America wasn't open, Chase wasn't open. We were open." Megan's mild and justified swagger changes like quicksilver to sheepishness, then a bark of rippling laughter. "Uh, we got completely overwhelmed. It broke our system, essentially. We had to kind of regroup and try to come back up online."

As soon as they realized their server was swamped, MB&T pivoted from the Information Age to the #2 Pencil Age. "We set up a triage team of dozens of individuals, MB&T associates who then spent their hours, days and nights calling these individuals and taking their applications over the phone, handholding them through the process." Megan pauses. "They were as much financial partners as a collective shoulder to cry on." In the end, MB&T associates put in 20,000 total hours servicing PPP loans, spent \$23K to support

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MB&T Relief Center team morning meeting

local eateries and retailers, and made a total of over \$206M in PPP funding. But who's counting?

PPP2 – “We will stay open and ready to help the community until the money runs out.”

At this writing we are in the midst of the Small Business Administration's second disbursement. MB&T's President and COO **George Leis** – silver-haired, sharply bespectacled, and so upbeat ordinary bankers shrink from him like goblins nearing sunlight (I'm speculating here) – weighs in on the 2020 and pending 2021 PPP efforts. “In November we started our Forgiveness process for the 2020 PPP loans, and in late December quickly began assembling and planning for the 2021 PPP program. We've accepted over 920 applications so far for this newest round, totaling over \$86 million.”

MB&T's “nose to the grindstone” approach is more like a family throwing their backs into the task than – you know – a bank. George explains.

“Seeing and hearing first-hand the economic devastation, and knowing that our efforts will make a difference, however small; that's our team's North Star. We're happily working every day – including weekends and evenings – to get our community through this. It's a source of pride for us that in the last PPP round, we had a role in saving over 22,000 jobs. I'm so grateful to our team for all of their continued efforts and determination to assist our communities throughout this unprecedented time. For 2021 PPP we are open and actively accepting applications from our clients. You can find info on our web site or please call 1-833-628-4722. We will stay open and ready to help the community until the money runs out.” We're all grateful too, George. Thank gosh you're not just running a bank.

Towbes Is

Michael Towbes bestrides Montecito like a serenely happy colossus, and seems to more deeply inhabit the sun-dappled Shangri-La with each passing year. I had one inanely broad question on that front: “What is it about Towbes?” MB&T's Chairman and CEO **Janet Garufis** speaks ringingly to that.

“I met Mike in the fall of 2004,” she says, “when I interviewed with him for my first role at MB&T. I was new to Santa Barbara and really didn't know anything about Mike or his bank. I was struck by his grace. We very quickly found we had a common appreciation for writing and grammar. We talked

with such ease about many topics! When I asked him how he came to be a banker he said, ‘I'm not a banker – I am a very experienced borrower.’ His belief was that banking was all about service, service, service.” One idea in particular had captured Towbes' imagination, and he shared it with Janet that day.


“He told me with great satisfaction and pride about his new philanthropic initiative: **Community Dividends**. He wasn't sure how it could evolve but he was sure that because of it he and the bank could have a positive impact in the communities we served.” Established in 2003, the Community Dividends program hands a yearly million dollars (“...it's varied over the last couple of years, but it ranges between 1.3 and 1.5 million dollars annually.” – Megan) to hundreds of 501(c)(3) designated orgs. Nonprofits are the largely unsung heart and soul of a place's spirit, enhancing individual lives and aggregating community love and cohesion. Towbes was all over it. “He loved his work,” Janet says simply. “He loved his capacity to give back, he loved his life, and he lived every minute to the fullest. I am so privileged to have worked with him and to call him my friend.”

Michael Towbes lost his Gail in 1996, later finding with **Anne Smith Towbes** a sun-splashed new springtime. They married at Lotusland in 2005, Ganna Walska's lovably haywire life projected the perfect setting for the young marrieds. By 2015 the lovebirds were camping at Burning Man, for instance. So... yeah. It's a life of radiant surprises, folks (stop the presses). Michael's departure in 2017 was roundly and genuinely lamented, his achievements feted, his legacy acknowledged with raised glasses. Awkward then to realize the guy is still clearly hanging around, tall and graceful as a heron and beaming that serene smile, gently inhabiting MB&T's courtship of this village in the woods. He must really like it here.


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George Leis at work reviewing and approving PPP loans in his office



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