Schumacher Paul James Jr.
Form 5
February 12, 2019

FORM 5

OMB APPROVAL

OMB Number:	3235-0362
Expires:	January 31, 2005
Estimated average burden hours per response...	1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).
Form 3 Holdings Reported
Form 4 Transactions Reported

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
Schumacher Paul James Jr.

(Last) (First) (Middle)

C/O HERITAGE-CRYSTAL CLEAN, INC.,Â 2175 POINT BOULEVARD, SUITE 375

(Street)

ELGIN,Â ILÂ 60123

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Heritage-Crystal Clean, Inc. [HCCI]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/29/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Reporting

(check applicable line)

_X_ Form Filed by One Reporting Person
___ Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	12/12/2017	Â	J	9,478	A (1)	$ 0	12,032	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	4,000 (2)	I	Held by minor children

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. of D Se Be O En Is Fi (I
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schumacher Paul James Jr. C/O HERITAGE-CRYSTAL CLEAN, INC. 2175 POINT BOULEVARD, SUITE 375 ELGIN,Â ILÂ 60123	Â X	Â	Â	Â

Signatures

/s/ Mark DeVita, Attorney-in-Fact	02/12/2019
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares reflect what should have been reported on Form 3 filed on June 6, 2018. No Shares were acquired on this date.

(2) These shares reflect what should have been reported on Form 3 filed on June 6, 2018. These shares are held by Mr. Schumacher's minor children.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. TD>1,500 5.0%

Company

335,629 8.2% 162,755 4.0% 203,443 5.0%

Additionally, State of Nevada banking regulations restrict distribution of the net assets of Bank of Nevada and First Independent Bank of Nevada because such regulations require the sum of each bank s stockholders equity and reserve for loan losses to be at least 6% of the average of each bank s total daily deposit liabilities for the preceding 60 days. As a result of these regulations, approximately $121.2 and $136.7 million of Bank of Nevada s stockholders equity was restricted at December 31, 2007 and 2006, respectively. Approximately $25.9 million of First Independent s stockholders equity was restricted at December 31, 2007.

Alta Alliance Bank has agreed to maintain a total Tier I capital to average assets ratio of at least 9% for its first three years of existence.

The States of Nevada and Arizona require that trust companies maintain capital of at least $300 and $500, respectively. Premier Trust meets these capital requirements as of December 31, 2007 and 2006.

Table of Contents

Note 15. Employee Benefit Plan

The Company has a qualified 401(k) employee benefit plan for all eligible employees. Participants are able to defer between 1% and 15% (up to a maximum of $15,500 for those under 50 years of age in 2007) of their annual compensation. The Company may elect to contribute a discretionary amount each year. The Company s total contribution was $1.2 million, $0.9 million and $0.6 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Note 16. Transactions with Related Parties

Principal stockholders of the Company and officers and directors, including their families and companies of which they are principal owners, are considered to be related parties. These related parties were loan customers of, and had other transactions with, the Company in the ordinary course of business. In management s opinion, these loans and transactions were on the same terms as those for comparable loans and transactions with unrelated parties. The aggregate activity in such loans for the years ended December 31 was as follows:

	2007	2006
Balance, beginning	**$ 63,131**	$ 27,608
New loans	**77,368**	64,421
Repayments	**(50,086)**	(28,898)
Balance, ending	**$ 90,413**	$ 63,131

None of these loans are past due, on non-accrual or have been restructured to provide a reduction or deferral of interest or principal because of deterioration in the financial position of the borrower. There were no loans to a related party that were considered classified loans at December 31, 2007 or 2006.

Total loan commitments outstanding with related parties total approximately $52.5 million and $44.6 million at December 31, 2007 and 2006, respectively.

Note 17. Fair Value of Financial Instruments

The estimated fair value of the Company s financial instruments at December 31 is as follows:

	2007		2006	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets:				
Cash and due from banks	**$ 104,650**	**$ 104,650**	$ 143,721	$ 143,721
Federal funds sold	**10,979**	**10,979**	121,159	121,159
Securities held to maturity	**9,406**	**9,530**	97,495	95,404
Securities available for sale	**486,354**	**486,354**	444,826	444,826
Securities measured at fair value	**240,440**	**240,440**		
Derivatives	**2,101**	**2,101**		
Restricted stock	**27,003**	**27,003**	18,483	18,483
Loans, net	**3,583,704**	**3,580,108**	2,969,671	2,943,370
Accrued interest receivable	**22,344**	**22,344**	17,425	17,425
Financial liabilities:				
Deposits	**3,546,922**	**3,550,115**	3,400,423	3,400,095
Accrued interest payable	**5,585**	**5,585**	5,264	5,264
Customer repurchases	**275,016**	**275,016**	170,656	170,656
Other borrowed funds	**544,699**	**544,699**	69,011	69,011

Junior subordinated debt	**62,240**	**62,240**	61,857	64,127
Subordinated debt	**60,000**	**60,000**	40,000	40,000
Derivatives	**1,326**	**1,326**		

Table of Contents

Interest rate risk

The Company assumes interest rate risk (the risk to the Company s earnings and capital from changes in interest rate levels) as a result of its normal operations. As a result, the fair values of the Company s financial instruments as well as its future net interest income will change when interest rate levels change and that change may be either favorable or unfavorable to the Company.

Interest rate risk exposure is measured using interest rate sensitivity analysis to determine our change in net portfolio value and net interest income resulting from hypothetical changes in interest rates. If potential changes to net portfolio value and net interest income resulting from hypothetical interest rate changes are not within the limits established by the Board of Directors, the Board of Directors may direct management to adjust the asset and liability mix to bring interest rate risk within board-approved limits. As of December 31, 2007, the Company s interest rate risk profile was within all Board-prescribed limits.

The Company manages its interest rate risk through its investment and repurchase activities. The Company seeks to maintain a modestly asset sensitive position (i.e., interest income in a rising rate environment would rise farther than the Company s interest expense and conversely in a falling interest rate environment).

Fair value of commitments

The estimated fair value of the standby letters of credit at December 31, 2007 and 2006 is insignificant. Loan commitments on which the committed interest rate is less than the current market rate are also insignificant at December 31, 2007 and 2006.

Note 18. Parent Company Financial Information

Condensed Balance Sheets
December 31, 2007 and 2006

	2007	2006
ASSETS		
Cash and cash equivalents	**$ 2,056**	$ 720
Securities available for sale	**1,997**	8,514
Investment in subsidiaries	**580,522**	460,972
Other assets	**3,226**	2,514
	$587,801	$472,720
LIABILITIES AND STOCKHOLDERS EQUITY		
Borrowings	**$ 21,730**	$
Accrued interest and other liabilities	**2,313**	2,284
Junior subordinated debt	**62,240**	61,857
Total liabilities	**86,283**	64,141
Stockholders equity:		
Common stock	**3**	3
Additional paid-in capital	**377,973**	287,553
Retained earnings	**152,286**	126,170
Accumulated other comprehensive loss	**(28,744)**	(5,147)
Total stockholders equity	**501,518**	408,579
	$587,801	$472,720

F-37

Table of Contents

Condensed Statements of Income
Years Ended December 31, 2007, 2006 and 2005

	2007	2006	2005
Interest and dividend income	**$ 206**	$ 716	$ 929
Interest expense on borrowings	**5,665**	4,331	2,112
Net interest expense	**(5,459)**	(3,615)	(1,183)
Other income:			
Income from consolidated subsidiaries	**37,734**	45,469	30,629
Fair value gains	**4,513**		
Other income	**390**	68	77
Total other income	**42,637**	45,537	30,706
Expenses:			
Salaries and employee benefits	**4,849**	3,059	1,783
Other	**2,295**	1,620	466
	7,144	4,679	2,249
Income before income tax benefit	**30,034**	37,243	27,274
Income tax benefit	**2,841**	2,646	791
Net income	**$32,875**	$39,889	$28,065

F-38

Table of Contents

Condensed Statements of Cash Flows
Years ended December 31, 2007, 2006 and 2005

	2007	2006	2005
Cash Flows from Operating Activities:			
Net income	**$ 32,875**	$ 39,889	$ 28,065
Adjustments to reconcile net income to net cash used in operating activities:			
Equity in net undistributed earnings of consolidated subsidiaries	**(37,734)**	(45,469)	(30,629)
Dividends received from subsidiaries	**32,000**	30,000	
Net accretion of securities discounts			(877)
Stock-based compensation expense	**543**	263	26
Compensation cost on restricted stock	**208**	99	
Trust preferred securities fair value gains	**(4,645)**		
(Increase) decrease in other assets	**963**	(633)	44
Increase in other liabilities	**29**	820	731
Other, net	**(1,424)**	845	
Net cash provided by (used in) operating activities	**22,815**	25,814	(2,640)
Cash Flows from Investing Activities:			
Purchases of securities available for sale		(8,000)	(57,118)
Proceeds from maturities of securities available for sale	**8,568**	57,989	
Net cash paid in settlement of acquisition	**(24,826)**	(82,989)	
Investment in subsidiaries	**(6,000)**	(28,500)	(30,000)
Net cash used in investing activities	**(22,258)**	(61,500)	(87,118)
Cash Flows from Financing Activities:			
Proceeds from issuance of junior subordinated debt	**12,000**	20,000	
Repayments of junior subordinated debt	**(16,882)**		
Net proceeds from borrowings	**21,730**		
Proceeds from exercise of stock options and stock warrants	**3,247**	2,733	2,028
Excess tax benefits on share-based payment arrangements	**115**	362	
Cost of issuing stock in acquisition	**(361)**	(264)	
Share repurchases	**(19,070)**		
Proceeds from stock issuance, net		9,057	85,063
Net cash provided by financing activities	**779**	31,888	87,091
Decrease in cash and cash equivalents	**1,336**	(3,798)	(2,667)
Cash and Cash Equivalents, beginning of year	**720**	4,518	7,185
Cash and Cash Equivalents, end of year	**$ 2,056**	$ 720	$ 4,518

Note 19. Segment Information

The Company provides a full range of banking services, as well as trust and investment advisory services through its eight consolidated subsidiaries. The company manages its business with a primary focus on each subsidiary. Thus, the Company has identified eight operating segments. However, the trust and investment advisory segments do not meet the quantitative thresholds for disclosure and have therefore been included in the other column. Parent company information is also included in the other category because it represents an overhead function rather than an operating segment. The Company has not aggregated any operating segments.

The Company reported three segments in the financial statements issued prior to December 31, 2006. In October 2006, the Company opened a new bank subsidiary, Alta Alliance Bank, which is located in Northern California. Although Alta Alliance Bank does not meet the quantitative thresholds for disclosure at December 31, 2007, this segment is reported because it is expected to meet the quantitative thresholds for disclosure in the future. First Independent Bank of Nevada was acquired in March 2007. First Independent meets the quantitative thresholds for disclosure at December 31, 2007 and is reported separately.

Table of Contents

The five reported segments derive a majority of their revenues from interest income and the chief operating decision maker relies primarily on net interest income to assess the performance of the segments and make decisions about resources to be allocated to the segments. The accounting policies of the reported segments are the same as those of the Company as described in Note 1. Transactions between segments consist primarily of borrowings and loan participations. Federal funds purchases and sales and other borrowed funds transactions result in profits that are eliminated for reporting consolidated results of operations. Loan participations are recorded at par value with no resulting gain or loss. The Company allocates centrally provided services to the operating segments based upon estimated usage of those services.

The Company does not have a single external customer from which it derives 10 percent of more of its revenues.

The following is a summary of selected operating segment information as of and for the years ended December 31, 2007, 2006 and 2005:

Table of Contents

	Bank of Nevada	Alliance Bank of Arizona	Torrey Pines Bank	Alta Alliance Bank	First Independent Bank	Other	Intersegment Eliminations	Consolidated Company
2007:								
Assets	$3,041,263	$822,575	$759,532	$90,961	$549,894	$ 24,713	$(272,842)	**$5,016,096**
Gross loans and deferred fees	2,215,676	584,249	515,432	38,500	322,152		(43,000)	**3,633,009**
Less: Allowance for loan losses	(33,050)	(6,772)	(5,135)	(377)	(3,971)			**(49,305)**
Net loans	**2,182,626**	**577,477**	**510,297**	**38,123**	**318,181**		**(43,000)**	**3,583,704**
Goodwill	127,827				79,242	10,741		**217,810**
Deposits	1,979,446	613,131	470,429	68,672	420,086		(4,842)	**3,546,922**
Stockholders equity	320,388	54,502	45,586	22,104	120,522	(61,584)		**501,518**
Number of branch locations	15	11	7	2	4			**39**
Full-time equivalent employees	505	139	132	32	114	70		**992**
Net interest income (loss)	**$ 113,987**	**$ 28,260**	**$ 25,360**	**$ 2,127**	**$ 15,536**	**$ (5,381)**	**$**	**$ 179,889**
Provision for loan losses	**15,510**	**3,391**	**763**	**296**	**299**			**20,259**
Net interest income (loss) after provision for loan losses	**98,477**	**24,869**	**24,597**	**1,831**	**15,237**	**(5,381)**		**159,630**
Gain (loss) on sale of securities	**238**	**(60)**				**256**		**434**
Mark-to-market gains (losses), net	**(7,349)**	**88**	**728**			**4,257**		**(2,276)**
Noninterest income, excluding securities and fair value gains (losses)	**10,753**	**2,859**	**1,699**	**371**	**717**	**9,778**	**(1,797)**	**24,380**
	(62,779)	**(22,981)**	**(20,360)**	**(5,491)**	**(9,378)**	**(14,478)**	**1,797**	**(133,670)**

Noninterest expense							
Income (loss) before income taxes	**39,340**	**4,775**	**6,664**	**(3,289)**	**6,576**	**(5,568)**		**48,498**
Minority interest						**110**		**110**
Income tax expense (benefit)	**12,372**	**1,681**	**2,562**	**(1,318)**	**2,172**	**(1,956)**		**15,513**
Net income (loss)	**$ 26,968**	**$ 3,094**	**$ 4,102**	**$ (1,971)**	**$ 4,404**	**$ (3,722)**	**$**	**$ 32,875**

	Bank of Nevada	Alliance Bank of Arizona	Torrey Pines Bank	Alta Alliance Bank	Other	Intersegment Eliminations	Consolidated Company
2006:							
Assets	$2,904,117	$643,298	$581,640	$56,227	$ 21,526	$(37,204)	$4,169,604
Gross loans and deferred fees	2,094,454	506,710	414,390	7,668		(20,000)	3,003,222
Less: Allowance for loan losses	(23,188)	(5,732)	(4,550)	(81)			(33,551)
Net loans	2,071,266	500,978	409,840	7,587		(20,000)	2,969,671
Goodwill	128,242				3,946		132,188
Deposits	2,326,412	552,901	491,647	31,339		(1,876)	3,400,423
Stockholders equity	336,184	51,497	39,424	24,089	(42,615)		408,579
Number of branch locations	15	9	6	1			31
Full-time equivalent employees	472	135	110	9	59		785
Net interest income (loss)	$ 105,127	$ 24,615	$ 22,397	$ 226	$ (3,577)	$	$ 148,788
Provision for loan losses	3,134	340	1,105	81			4,660
Net interest income (loss) after provision for loan losses	101,993	24,275	21,292	145	(3,577)		144,128
Loss from sale of securities	(3,374)	(908)	(154)				(4,436)

Noninterest income	7,979	2,523	1,479	45	7,170	(1,326)	17,870
Noninterest expense	(50,867)	(19,128)	(15,005)	(1,859)	(10,793)	1,566	(96,086)
Income (loss) before income taxes	55,731	6,762	7,612	(1,669)	(7,200)	240	61,476
Income tax expense (benefit)	18,668	2,563	3,088	(659)	(2,073)		21,587
Net income (loss)	$ 37,063	$ 4,199	$ 4,524	$ (1,010)	$ (5,127)	$ 240	$ 39,889

F-41

Table of Contents

	Bank of Nevada	Alliance Bank of Arizona	Torrey Pines Bank	Other	Intersegment Eliminations	Consolidated Company
2005:						
Assets	$1,886,742	$519,961	$405,011	$79,388	$(33,831)	$2,857,271
Gross loans and deferred fees	1,083,599	404,644	305,094			1,793,337
Less: Allowance for loan losses	(12,291)	(5,456)	(3,445)			(21,192)
Net loans	1,071,308	399,188	301,649			1,772,145
Deposits	1,606,750	457,177	335,292		(5,407)	2,393,812
Stockholders equity	127,969	43,627	33,386	39,241		244,223
Number of branch locations	5	7	4			16
Full-time equivalent employees	299	122	77	39		537
Net interest income (loss)	$ 70,004	$ 18,878	$ 14,646	$ (1,168)	$ (18)	$ 102,342
Provision for loan losses	2,692	2,040	1,447			6,179
Net interest income (loss) after provision for loan losses	67,312	16,838	13,199	(1,168)	(18)	96,163
Gain from sale of securities	69					69
Noninterest income	5,266	1,359	738	5,804	(1,098)	12,069
Noninterest expense	(34,669)	(13,298)	(10,234)	(7,719)	1,056	(64,864)
Income (loss)before income taxes	37,978	4,899	3,703	(3,083)	(60)	43,437
Income tax expense (benefit)	12,636	1,874	1,497	(635)		15,372
Net income (loss)	$ 25,342	$ 3,025	$ 2,206	$ (2,448)	$ (60)	$ 28,065

Note 20. Quarterly Data (Unaudited)

	Years Ended December 31,							
	2007				2006			
	Fourth Quarter	*Third Quarter*	*Second Quarter*	*First Quarter*	*Fourth Quarter*	*Third Quarter*	*Second Quarter*	*First Quarter*
Interest and dividend income	$ 81,190	$ 80,473	$ 76,846	$ 67,313	$ 67,163	$ 64,344	$ 59,382	$ 42,196

Interest expense	34,757	33,699	31,020	26,457	26,588	25,068	19,839	12,802
Net interest income	46,433	46,774	45,826	40,856	40,575	39,276	39,543	29,394
Provision for loan losses (1)	13,881	3,925	2,012	441	709	953	2,456	542
Net interest income, after provision for loan losses	32,552	42,849	43,814	40,415	39,866	38,323	37,087	28,852
Gain (loss) on sale of securities	(230)	380		284	(4,436)			
Mark-to-market gains (losses), net	(173)	1,676	(3,766)	(13)				
Noninterest income, excluding securities and fair value gains (losses)	6,872	5,899	6,019	5,590	5,260	4,631	4,482	3,497
Noninterest expenses	(35,895)	(34,580)	(34,274)	(28,921)	(26,939)	(25,057)	(24,570)	(19,520)
Income before income taxes	3,126	16,224	11,793	17,355	13,751	17,897	16,999	12,829
Minority interest	69	41						
Income tax expense	614	5,100	3,847	5,952	4,744	6,330	6,122	4,391
Net income	$ 2,443	$ 11,083	$ 7,946	$ 11,403	$ 9,007	$ 11,567	$ 10,877	$ 8,438
Earnings per share:								
Basic	$ 0.08	$ 0.38	$ 0.27	$ 0.42	$ 0.34	$ 0.44	$ 0.41	$ 0.37
Diluted	$ 0.08	$ 0.35	$ 0.25	$ 0.39	$ 0.31	$ 0.40	$ 0.38	$ 0.33

(1) The increase in the provision for loan losses in the fourth quarter 2007 was due to increases in risks inherent in

our loan
portfolio and the
general
economy.

Table of Contents

Note 21. Employee Defalcation

In July 2006, the Company identified evidence of an employee defalcation pertaining to certain accounts at a branch office of its Bank of Nevada subsidiary. The alleged defalcation primarily involved improper draws and payments on legitimate notes and the creation of fraudulent loans, resulting in fraudulent balances and the potential for legitimate loans with undetected credit problems. The Company understands the employee made payments on impaired credits to avoid scrutiny of other loans in the affected portfolio.

For the year ended December 31, 2006, the total pretax impact of the defalcation was $0.5 million, including our insurance deductible of $0.4 million and audit, legal and recovery costs. These amounts are net of insurance proceeds and cash restitution the Company has secured from the former employee.

Note 22. Stock Offerings

On June 29, 2005, the Company s registration statement on Form S-1 related to the initial public offering of shares of the Company s common stock was declared effective. The Company signed an underwriting agreement on June 29, 2005, which was on a firm commitment basis, pursuant to which the underwriters agreed to purchase 3,750,000 shares of common stock. On July 1, 2005, the principal underwriter exercised the over-allotment to purchase an additional 450,000 shares of the Company s common stock.

The total price to the public for the shares offered and sold by the Company, including the over-allotment, was $92.4 million. The amount of expenses incurred by the Company in connection with the offering includes approximately $6.0 million of underwriting discounts and commission and offering expenses of approximately $1.3 million.

On September 1, 2006, the Company issued 263,000 shares of common stock at a purchase price of $34.56 per share, and warrants to purchase 132,000 shares of common stock at $34.56, resulting in gross proceeds of $9.1 million. For every two full shares purchased by an investor in the offering, the investor received a warrant to purchase an additional share at the same purchase price. The foregoing were issued under circumstances that comply with the requirements of Section 4(2) under the Securities Act. The proceeds of the offering were used to partially capitalize Alta Alliance Bank.

Table of Contents

McGladrey & Pullen
Certified Public Accountants

Report of Independent Registered Public Accounting Firm

To the Board of Directors
Western Alliance Bancorporation
Las Vegas, Nevada

We have audited the consolidated balance sheets of Western Alliance Bancorporation and subsidiaries (collectively referred to as the Company) as of December 31, 2007 and 2006, and the related consolidated statements of income, stockholders equity and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

As described in Notes 1 and 2 to the consolidated financial statements, effective January 1, 2007, the Company early adopted Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value* Measurements, and SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)* and our report dated February 21, 2007 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ MCGLADREY & PULLEN, LLP
Las Vegas, Nevada
February 21, 2008