

Lochmann Discusses Bank Failures, Lessons for Business Owners with *Kansas City Business Journal*

In the News

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Stinson LLP Partner [Mike Lochmann](#) is featured in a *Kansas City Business Journal* article, "Silicon Valley Bank: KC banking pros talk about lessons the collapse provides." The article details the failure of Silicon Valley Bank (SVB), the now second-largest bank failure in United States history.

In light of recent bank failures, Lochmann addresses the need for businesses to carefully consider how they treat deposits greater than \$250,000, in addition to keeping a close eye on the financial health of their bank.

"For most business owners, it's not practical to spread their operating account and deposits out over many different banks to achieve higher effective FDIC insurance coverage," Lochmann said. "Banking is a trust relationship between the bank and the depositor. If a bank becomes less than well-capitalized, that trust erodes, and the depositor should be more vigilant about the amount of deposits it maintains at that bank."

Lochmann states that most Midwestern banks are well capitalized and have highly diversified loan portfolios that separate them from the situation that impacted SVB. He also notes that banks publish quarterly "Call Reports" that are publicly available and show the amount of the bank's regulatory capital.

Lochmann is a trusted and strategic advisor to banks, financial services companies and FinTech innovators on complex regulatory and compliance issues and financing transactions. He applies his CPA background and deep knowledge of banking, corporate, securities and tax laws to counsel companies and individuals dealing with federal and state regulatory compliance issues and defend regulatory investigations and enforcement actions.

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