



**For Immediate Release**

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**First Sound Bank Receives Prompt Corrective Action Letter**

**SEATTLE**, May 25, 2010 – First Sound Bank (OTCBB: FSWA) today announced that it has received a Prompt Corrective Action Letter from the FDIC to raise its Tier 1 Capital, which stood at 2.5 percent on March 31, 2010. The regulatory agency is requiring the bank to sell enough voting shares to become adequately capitalized (generally 4 percent Tier 1 Capital) by May 28, 2010 and/or to accept an offer to be acquired by another depository institution or be subject to possible further enforcement action.

First Sound Bank has informed the FDIC of its pending lawsuit with LARASCO, Inc., which is scheduled for trial commencing June 1, 2010, and believes they will not take any further enforcement action until the lawsuit has been resolved – provided the bank maintains a Tier 1 Capital Ratio of not less than 2.5 percent.

Chairman and CEO Don Hirtzel noted, "First Sound Bank faces a unique problem stemming from the acquisition of LARASCO, Inc., a leasing company formerly known as Puget Sound Leasing. We hope to resolve this dispute shortly and then intend to re-capitalize the bank through additional support from our shareholders."

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### **Forward-Looking Statements**

*Certain of the statements contained herein are forward-looking statements within the meaning of the Private Securities Reform Act. Forward-looking statements are typically identified by words or phrases such as “believe,” “expect,” “intend,” “may increase,” “may fluctuate,” “hope” and similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” These forward-looking statements involve risks and uncertainties including, but not limited to, economic conditions, portfolio growth, and the credit performance of the portfolios, including bankruptcies and seasonal factors; changes in general economic conditions, including the performance of financial markets, prevailing inflation and interest rates, realized gains from sales of investments, gains from asset sales, and losses on commercial lending activities; results of various investment activities; the effects of competitors’ pricing policies, of changes in laws and regulations on competition, and of demographic changes on target market populations’ savings and financial planning needs; industry changes in information technology systems on which we are highly dependent; failure of acquisitions to produce revenue enhancements, cost savings at levels or within the time frames originally anticipated, or unforeseen integration difficulties; and the resolution of legal proceedings and related matters. In addition, the banking industry in general is subject to various monetary and fiscal policies and regulations, which include those adopted by the Federal Reserve Board, the Federal Deposit Insurance Corporation and state regulators, whose policies and regulations could affect First Sound Bank’s performance. These statements are representative only on the date hereof, and the bank undertakes no obligation to update any forward-looking statements made.*

### **About First Sound Bank**

Seattle-based First Sound Bank offers customized banking for small- to medium-sized businesses, organizations, not-for-profits and professionals in the Puget Sound region. Founded by a team of veteran, local banking executives, it is committed to delivering personalized service, convenient access and competitive rates to support the needs of the business community. The bank offers online banking at [www.firstsoundbank.com](http://www.firstsoundbank.com) plus an expansive banking network in the western U.S., as well as ATM banking throughout the country and abroad. On March 1, 2008, First Sound Bank purchased a majority of the assets of Puget Sound Leasing Company, Inc. – a small ticket, business-to-business leasing company and established Puget Sound Leasing as a division of First Sound Bank.