



Noble idea leads to new career

Erik Beguin, president and CEO, Austin Capital Bank

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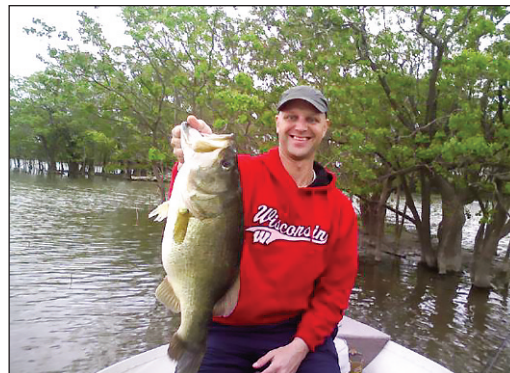
Erik Beguin always had an entrepreneurial spirit; he just never thought his first business experience would be selling vacuum cleaners door to door during the summer after his sophomore year in college.

"I sold vacuum cleaners for a couple weeks, took the money I earned from those sales, bought a boat, fixed it up, sold it and made more in profit from that sale than my friends would make all summer from their 'regular summer jobs' flipping burgers or working at the mall," Beguin, president and CEO of Austin Capital Bank, says.

Beguin grew up in Onalaska, Wis., a small town located on the banks of the Mississippi River.

His father and brother, Al, are physicians and his mother is a nurse so the expectation was that he'd become the next Dr. Beguin. Though originally a pre-med student at Luther College in Decorah, Iowa, Beguin made "the big call" to his dad to explain how he wanted to go into business rather than medicine.

Beguin wasn't in the business of selling vacuum cleaners for long (in fact, he only did



Beguin holds up a 10 pound bass he caught in Central Texas.

so for a few weeks that one summer). After graduating in 1993 with a BA summa cum laude, Beguin took a job with the accounting firm KPMG in Minneapolis.

"I didn't really know what my options in business were, but I knew I loved the thought of taking an innovative idea and creating a business out of thin air," he says. A recruiter convinced him a good place to start would be at KPMG.

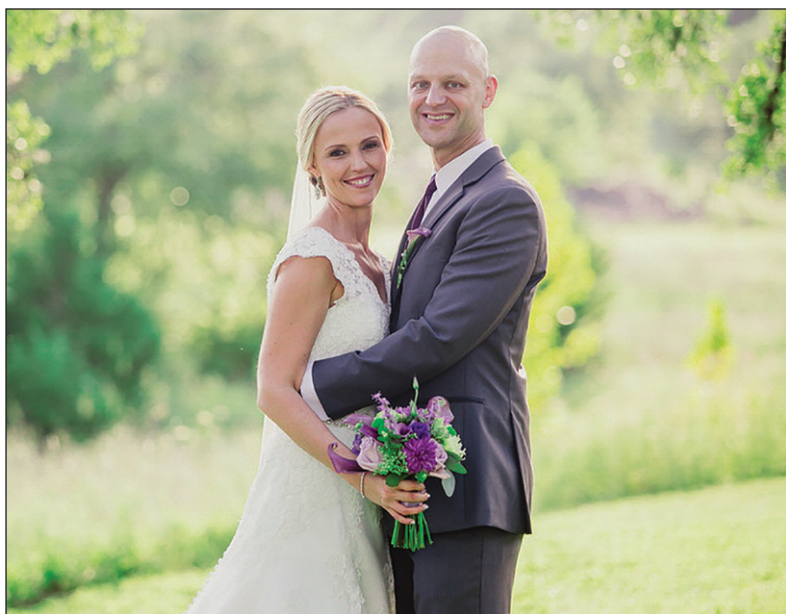
He took an interest in brand management while at KPMG but he learned that having an MBA was preferred to take on that kind of work. Beguin received his MBA from the University of Michigan in 1999 before taking a position in brand management with Procter & Gamble.

Unorthodox path to banking

Beguin wasn't at Procter & Gamble for long. With the dot-com boom in full swing, he worked for a number of start-ups before landing with one in Austin.

"I moved to Austin in February 2001; Chicago had received 40 inches of snow in December and I fittingly left Chicago in the middle of a blizzard," Beguin says. "I remember crossing the Oklahoma-Texas state line and it was 70 and sunny and I knew I had made the right choice."

After working for big and small companies — helping them make lots of money, learning a lot about how not to manage a company but also how to make a good company become great — Beguin wanted to do his own thing.



Erik Beguin poses with his wife, Kimberley, on their wedding day. They got married on a little ranch just outside of Texas on Sept. 28, 2014.



Austin Capital Bank rebranded and moved to a new location on Shoal Creek Boulevard in Austin last year.

"I wanted a company that had the following four qualities: it was beneficial to the community, it provided high quality and stable job opportunities for its employees, it provided an exceptional product or service for its customers and provided an excellent return to its investors," Beguin says.

Beguin's idea was to offer loans to Spanish-speaking customers who he learned were often getting taken advantage of by mortgage brokers. "My first loan I did reduced the interest rate of my clients from 9 percent to 5 percent, reduced the term of the loan from 30 years to 15 years and saved my client about \$80,000 in interest over the life of the loan, and I made money doing the loan," he says. "I did about five more loans similar to the first loan to validate my concept."

Beguin wanted to offer more of these types of loans; an acquaintance in banking convinced him that he needed to partner with a bank to accomplish this goal.

After failing to strike up a partnership deal with a bank, Beguin and his business partner Bryan Bradford started their own bank — Libertad Bank — in 2006. "Unfortunately we were a de novo and it was 2006, almost the exact wrong time to open a bank," Beguin says. "About the only thing that went right for us the first couple years was our custom mortgage product."



Beguin with his wife, Kimberley, and stepson, Billy.

Libertad Bank was on the cusp of receiving a cease and desist order when Beguin took over as president and CEO in January 2008 — with the global financial crisis looming on the horizon.

Beguin spent the next couple of years turning the bank around. He rebranded Libertad in 2014 as Austin Capital Bank to fit the bank's primary clientele of real estate investors and business owners. In 2008 when Beguin took over as president and CEO, the bank had \$29.8 million in assets, an ROA of -3.1 percent and an ROE of -26.7 percent. Today, Austin Capital Bank has \$73.0 million in assets, an ROA of 1.7 percent and an ROE of 15.9 percent in 2014.

Life outside of banking

The years spent saving his bank were tumultuous for Beguin (he often worked until 2 or 3 a.m. and



Beguin and Kimberley overlook a vineyard in Temecula, Calif., the day before their engagement.

slept at the bank) but he says 2014 was a "landmark year" for him personally. He met the love of his life, Kimberley, who he married on Sept. 28, 2014. He and Kimberley just returned from their honeymoon in Belize.

Beguin enjoys spending time with his family (that now includes his stepson, Billy, and dogs, Abby and Skyler), working around the house and yard, having family movie night, hunting, fishing, traveling and investing in real estate. ♦

What is your favorite book?

"Rich Dad Poor Dad"

What is your favorite movie?

"Gladiator," "Braveheart," "Rudy," "Lord of the Rings" and the original "Star Wars" trilogy

What is your favorite sports team?

Green Bay Packers