

CADENCE FINANCIAL CORP
Form S-1
May 19, 2010
Table of Contents

As filed with the Securities and Exchange Commission on May 19, 2010

Registration No. 333-

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

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Cadence Financial Corporation

(Exact name of registrant as specified in its charter)

Mississippi

6021

64-0694775

Edgar Filing: CADENCE FINANCIAL CORP - Form S-1

(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)
301 East Main Street

(I.R.S. Employer
Identification No.)

Starkville, Mississippi 39759

(662) 324-4258

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Richard T. Haston

Executive Vice President and Chief Financial Officer

Cadence Financial Corporation

301 East Main Street

Starkville, Mississippi 39759

(662) 324-4258

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mark L. Jones

Jackson Walker LLP

1401 McKinney, Suite 1900

Houston, Texas 77010

Telephone: (713) 752-4224

Facsimile: (713) 308-4114

Randolph A. Moore

Alston & Bird LLP

1201 West Peachtree Street

Atlanta, Georgia 30309

Telephone: (404) 881-7794

Facsimile: (404) 253-8340

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: "

Edgar Filing: CADENCE FINANCIAL CORP - Form S-1

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, par value \$1.00 per share		\$	\$92,000,000	\$6,560

(1) Assumes exercise in full of the underwriter's option to purchase up to \$12,000,000 in additional shares of common stock to cover over-allotments, if any.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a), may determine.

Table of Contents

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED MAY 19, 2010

PRELIMINARY PROSPECTUS

Shares

Common Stock

We are offering _____ shares of our common stock, par value \$1.00 per share. Our common stock is quoted on The NASDAQ Global Select Market under the symbol CADE. On May _____, 2010, the last reported sale price of our common stock was \$ _____ per share.

The shares of common stock are not savings accounts, deposits or other obligations of our bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in our common stock involves significant risks. See Risk Factors beginning on page 9 of this prospectus to read about factors you should consider before buying our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price		
Underwriting discounts and commissions		
Proceeds to Cadence Financial Corporation (before expenses)		

The underwriter also may purchase up to an additional _____ shares of our common stock within 30 days of the date of this prospectus to cover over-allotments, if any.

The underwriter expects to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about , 2010.

Keefe, Bruyette & Woods

Preliminary prospectus dated May 19, 2010.

Table of Contents

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	ii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	iv
<u>SUMMARY</u>	1
<u>SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>	6
<u>RISK FACTORS</u>	9
<u>USE OF PROCEEDS</u>	23
<u>CAPITALIZATION</u>	24
<u>PRICE RANGE OF COMMON STOCK</u>	25
<u>DIVIDEND POLICY</u>	25
<u>SUPERVISION AND REGULATION</u>	27
<u>DESCRIPTION OF CAPITAL STOCK</u>	34
<u>UNDERWRITING</u>	39
<u>LEGAL MATTERS</u>	43
<u>EXPERTS</u>	43

Table of Contents

ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus or any free writing prospectus prepared by or on behalf of us. We have not, and the underwriter has not, authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell our common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus and incorporated by reference is accurate only as of their respective dates, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since such dates.

This prospectus does not offer to sell, or ask for offers to buy, any shares of our common stock in any state or jurisdiction where it would not be lawful or where the person making the offer is not qualified to do so.

As used in this prospectus, the terms we, us, and our mean Cadence Financial Corporation and its subsidiaries (including Cadence Bank, N.A.) and predecessors, unless the context indicates otherwise.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission which we refer to as the SEC. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Internet address of the SEC's website is www.sec.gov. Such reports and other information concerning the Company also can be retrieved by accessing our website at www.cadencebanking.com. Information on our website is not part of this prospectus.

This prospectus, which is a part of a registration statement on Form S-1 that we have filed with the SEC under the Securities Act of 1933, as amended (the Securities Act), omits certain information set forth in the registration statement. Accordingly, for further information, you should refer to the registration statement and its exhibits on file with the SEC. Furthermore, statements contained in this prospectus concerning any document filed as an exhibit are not necessarily complete and, in each instance, we refer you to the copy of such document filed as an exhibit to the registration statement.

The SEC allows us to incorporate by reference information we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, except to the extent that any information contained in such filings is deemed furnished in accordance with SEC rules:

Our Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC on March 29, 2010;

Our definitive proxy statement on Schedule 14A, filed with the SEC on April 16, 2010;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the SEC on May 12, 2010; and

Our Current Reports on Form 8-K filed with the SEC on January 7, 2010, January 28, 2010 and April 26, 2010.

Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this prospectus modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this prospectus except as so modified or superseded.

Upon request, we will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated by reference in the prospectus contained in the registration statement, but not delivered with the prospectus. You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing to or telephoning us at the following address:

Cadence Financial Corporation

301 East Main Street

P.O. Box 1187

Starkville, Mississippi 39759

(662) 323-1341

Attn: Investor Relations

The information on our website is not part of this prospectus.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this prospectus or in the documents incorporated by reference in this prospectus, other than statements of historical fact, are forward-looking statements (as such term is defined in Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act, and the regulations thereunder), which are intended to be covered by the safe harbors created thereby. Forward-looking statements include, but are not limited to:

certain statements contained in **Risk Factors** in this prospectus and our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q;

certain statements contained in **Business** in our most recent Annual Report on Form 10-K;

certain statements contained in **Management's Discussion and Analysis of Financial Condition and Results of Operations** and notes to our financial statements in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q; and

certain statements as to trends or events, or our management's beliefs, expectations, objectives, plans, goals, intentions, estimates, projections and opinions.

The words **anticipate, believe, estimate, expect, intend, may, plan, will, would, could, should, guidance, potential, confident,** and similar expressions are typically used to identify forward-looking statements. These statements are based on assumptions and assessments made by management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements are not guarantees of our future performance and are subject to risks and uncertainties and may be affected by various factors that may cause actual results, developments and business decisions to differ materially from those in the forward-looking statements. Some of the factors that may cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements include the risk factors discussed under the heading **Risk Factors** in this prospectus and our Annual Report on Form 10-K for the year ended December 31, 2009 and the following:

changes in interest rates and market prices that could affect the net interest margin, asset valuation, and expense levels;

changes in local economic and business conditions that could adversely affect customers and their ability to repay borrowings under agreed upon terms, adversely affect the value of the underlying collateral related to their borrowings, and reduce demand for loans;

increased competition for deposits and loans which could affect compositions, rates and terms;

changes in the levels of prepayments received on loans and investment securities that adversely affect the yield and value of the earning assets;

a deviation in actual experience from the underlying assumptions used to determine and establish our allowance for loan losses, which could result in greater than expected loan losses;

changes in the availability of funds resulting from reduced liquidity or increased costs;

Edgar Filing: CADENCE FINANCIAL CORP - Form S-1

the ability to acquire, operate, and maintain effective and efficient operating systems;

increased asset levels and changes in the composition of assets that would impact capital levels and regulatory capital ratios;

loss of critical personnel and the challenge of hiring qualified personnel at reasonable compensation levels;

Table of Contents

in 2008, the Emergency Economic Stabilization Act of 2008 became law, and in February 2009, the American Recovery and Reinvestment Act of 2009 was signed into law. Additionally, the U.S. Treasury and federal banking regulators are implementing a number of programs to address capital and liquidity issues in the banking system, and there are a number of pending legislative and tax proposals, all of which may have significant effects on us and the financial services industry, the exact nature and extent of which cannot be determined at this time;

the impact of compensation and other restrictions imposed under the Troubled Asset Relief Program (TARP) until we repay the outstanding preferred stock issued under TARP;

legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by our regulators, changes in the scope and cost of FDIC insurance and other coverages, increases in regulatory capital requirements, and changes in the U.S. Treasury's Capital Purchase Program;

our ability to comply with any requirements imposed on us and Cadence Bank, N.A. (the Bank), by our respective regulators, and the potential negative consequences that may result;

changes in accounting principles, policies, and guidelines applicable to bank holding companies and banking;

the occurrence of acts of war, terrorism, natural disasters, the effects of the recent oil spill in the Gulf of Mexico, or other catastrophic events beyond our control that directly or indirectly affect the financial health of our customer base;

the ability to manage the risks involved in the foregoing; and

those other factors identified and discussed in the prospectus and in our other public company filings with the SEC.

We can give no assurance that any of the events anticipated by the forward-looking statements will occur or, if any of them does, what impact they will have on our results of operations and financial condition. We disclaim any intent or obligation to publicly update or revise any forward-looking statements, regardless of whether new information becomes available, future developments occur or otherwise.

Table of Contents

SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus and may not contain all of the information that you need to consider in making your investment decision. Before making an investment decision, we urge you to read the entire prospectus carefully, including the information to which we refer you and the information incorporated by reference herein. You should pay special attention to the Risk Factors section to determine whether an investment in our common stock is appropriate for you.

Cadence Financial Corporation

Cadence Financial Corporation (the Company) is a bank holding company with \$1.9 billion in assets as of March 31, 2010, organized under the laws of the State of Mississippi in 1984. Its assets consist primarily of its investment in Cadence Bank, N.A. (the Bank), a national banking corporation with over 125 years of operating history dating back to 1885, and its primary activities are conducted through the Bank.

We are engaged in the general banking business and activities closely related to banking, as permitted by the banking laws and regulations of the United States. We provide a competitive set of financial services that includes commercial and consumer banking, trust and investment management, mortgage loan products and retail investment sales. Our client base is diverse and consists of business, agricultural, governmental, and educational entities as well as individual consumer clients in the states of Alabama, Florida, Georgia, Mississippi and Tennessee.

Market Areas

Our banking franchise consists of 38 banking offices across five states. Specifically, we operate in eastern Mississippi; Brentwood and Franklin, Tennessee; Memphis, Tennessee; Tuscaloosa, Birmingham/Hoover, Alabama; Sarasota/Bradenton, Florida; and Blairsville and Blue Ridge, Georgia. According to the most recent FDIC report, as of June 30, 2009, we had deposit market shares of 50%, 23% and 26%, respectively, in Oktibbeha County, Mississippi, where our headquarters are located, and in the neighboring Clay and Lowndes Counties.

Mississippi. We are the largest commercial bank domiciled in the eastern, Golden Triangle, area of Mississippi. The Golden Triangle includes the third largest airport in Mississippi, Mississippi State University the state's largest university, Columbus Air Force Base, Severstal Columbus one of the largest steel mills in the United States, several other large government contractors, and several large industrial and research facilities. We have a total of 19 banking facilities that serve the communities of six Mississippi counties within a 65 mile radius of our main office in Starkville.

Tennessee. We have five banking facilities in the Memphis, Tennessee area, and two banking facilities in the Brentwood and Franklin, Tennessee areas near Nashville.

Alabama. We serve the Tuscaloosa and Birmingham/Hoover, Alabama areas with seven banking facilities.

Florida. We serve the Sarasota/Bradenton, Florida area with three banking facilities.

Georgia. We serve the Blairsville and Blue Ridge, Georgia areas with two banking facilities.

Table of Contents

The following table reflects, as of March 31, 2010, the distribution of total assets, loans, deposits and branches in the states in which we conduct our business:

State	Assets	Loans	Deposits	Branches
Alabama	11%	19%	12%	18%
Florida	8	13	10	8
Georgia	2	2	2	5
Mississippi	55	29	56	50
Tennessee	24	37	20	19
	100%	100%	100%	100%

Although we operate in several distinct markets, we employ a community banking model that uses centralized supervision and operational support, as we believe it adds consistency to our operations. We strive to provide high quality service to clients in our communities to establish profitable long-term banking relationships. We focus not only on operating our bank efficiently, but also on being an active participant in the communities we serve. During the current recession, we have undertaken strategic initiatives to improve our credit underwriting and monitoring so that we can continue to serve our clients effectively. Additionally, during the first quarter of 2010, we conducted an operations review that focused on improving our efficiency and profitability across our five-state franchise. We identified changes in our customer delivery of services arising from increased use of electronic banking, redundant positions in certain departments and improved processes to reduce our costs.

Business Strategy

We believe that upon the successful completion of this offering, we will be able to take advantage of key opportunities that exist in each of our markets that previously we have been unable to take advantage of due to a lack of capital. Specifically, we believe we have the following opportunities to increase our net interest margin and strengthen our franchise:

Exceed Regulatory Capital Requirements. With the consummation of this offering, and the contribution of a significant portion of the capital to the Bank, the Bank expects to exceed the capital ratios imposed by the OCC (hereinafter defined). Please see *Recent Developments* below.

Reinvest Excess Liquidity and Leverage Capital. During 2009 and 2010, we intentionally accumulated excess liquidity in anticipation of an adverse public response to the announcement of our first quarter 2009 loss and other subsequent negative news related to regulatory actions. We believe the capital from this offering will allow us to invest our excess liquidity in higher income-earning assets, which we believe will improve our income as well as our net interest margin.

Execute Cost Cutting Plan and Attain Efficiencies. During the first quarter of 2010, we conducted an operations review that focused on improving our efficiency and profitability across our five-state franchise. We identified changes in our customer delivery of services arising from increased use of electronic banking, redundant positions in certain departments and improved processes to reduce our costs. As a result, we expect to reduce ongoing costs by approximately \$730,000 per quarter once the changes are fully implemented in the second half of 2010. Additionally, we continue to review other areas of our operations in an effort to further improve our efficiency, which may result in additional cost savings in the future.

Optimize Loan Mix. Due to the current economic cycle and its effect on the Bank, we have not been actively seeking new banking relationships. We intend to modify this policy following this offering by pursuing and establishing new client relationships. We believe this change in strategy will allow us to grow our portfolio of assets, as well as diversify our loan mix and client base. We believe there are

Table of Contents

opportunities to originate loans with prudent underwriting guidelines throughout our markets, focusing on commercial and industrial lending and 1-4 family first lien mortgages, as well as selective commercial real estate and farm loans, while simultaneously reducing our exposure to construction and development loans.

Further Develop Our Core Deposit Franchise. We believe that our current footprint offers the opportunity for continued core deposit growth. We intend to leverage the market disruption created by the current recession to further strengthen our core deposit market share in each of our regions of operation. We plan to maintain our deposit share in the markets where we are leaders and grow our core deposits in the remainder of our markets using the strategies with which we have achieved success throughout our over 125-year operating history.

Asset Quality

Like many financial institutions, our operations have been negatively impacted by the recent economic downturn, especially the ongoing weakness in the residential sector, resulting in our carrying an elevated level of non-performing assets. However, we have begun to see some stability and improvement in most of our markets. Total non-performing loans were \$69.8 million, or 6.7% of total loans, in the first quarter of 2010 compared with \$70.2 million, or 6.4% of total loans, in the fourth quarter of 2009. The aggregate level of both non-performing loans and classified assets was down slightly from the fourth quarter of 2009. This was the first quarter in over two years that we experienced a decline in classified assets, and we believe this highlights the progress we have made in stabilizing our loan portfolio and the improving health of the economy in our markets.

In addition, we remain very proactive in managing our non-performing assets and aggressively recognizing losses. Since the beginning of 2008 through the first quarter of 2010, we have recognized net charge-offs of \$82.1 million or 2.24% of average loans during this period. At the same time, we have built our level of reserves to total loans to 4.05% through increased provisioning. We believe our willingness to aggressively charge-off problem loans to date and our substantial reserve build has placed us ahead of our peers in terms of recognizing embedded losses in our portfolio through this economic cycle.

In mid-2008, we established a moratorium on residential construction and development lending. As a result, as of March 31, 2010, we have reduced our exposure in total construction and development loans by more than \$289 million, or 65%, from March 31, 2008.

Recent Developments

Consent Order imposed by Office of the Comptroller of the Currency

On May 19, 2010, the board of directors executed a stipulation and consent to the issuance of a consent order by the Office of the Comptroller of the Currency (the OCC), and the OCC has issued a consent order effective as of such date. Such consent order requires the Bank to meet and maintain a minimum Tier 1 leverage ratio of 9% and a minimum total risk-based capital ratio of 12%. After successfully completing this offering, we would have exceeded the required capital ratios as of March 31, 2010. These capital ratios are higher than the typical regulatory capital ratios required to meet well-capitalized standards. As a result of the consent order, however, the Bank is not deemed to be well-capitalized under the applicable regulations while the consent order is in place, even if the Bank satisfies the capital ratios described above. The Bank continues to be deemed to be in troubled condition, as has been the case since the Bank entered into the earlier formal agreement with the OCC. The consent order includes other operational and supervisory provisions which the Company believes it will be able to satisfy, including taking certain actions and implementing certain action plans with respect to, among other things, a compliance committee, capital adequacy, strategic planning and capital planning, management competence and effectiveness, loan portfolio management, credit and collateral exceptions, loan review, the allowance for loan and lease losses, criticized assets, credit concentration risk management, liquidity risk management, internal audit, and

Table of Contents

correcting alleged legal violations identified in examination reports. Moreover, if the Bank is deemed by the OCC to have not satisfied the requirements of such consent order, it may be subject to further regulatory action, including a requirement to prepare a plan to sell or merge the Bank. The consent order terminates the earlier formal agreement entered into with the OCC on April 17, 2009. *For more information regarding the risks associated with the possible consent order, please see Risk Factors.* Also, please see the consent order filed as an exhibit to the registration statement, of which this prospectus is a part.

Increase in Authorized Shares

Our board of directors has approved an amendment of our Restated Articles of Incorporation that increases the number of authorized shares of common stock from 50,000,000 to 140,000,000. This amendment of our Restated Articles of Incorporation is subject to the approval of our shareholders of record on April 12, 2010 and will be voted on at our annual meeting of shareholders on May 25, 2010.

Corporate Information

Our principal executive offices are located at 301 East Main Street, Starkville, Mississippi 39759, and our telephone number is (662) 323-1341. We maintain a website at <http://www.cadencebanking.com>. Information on the website is not incorporated by reference and is not part of this prospectus.

RISK FACTORS

An investment in our common stock involves certain risks. You should carefully consider the risks described under *Risk Factors* beginning on page 9 of this prospectus and in the *Risk Factors* section included in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, as well as other information included or incorporated by reference into this prospectus, including our financial statements and the notes thereto, before making an investment decision.

Table of Contents

THE OFFERING

The following summary contains basic information about this offering and our common stock and is not intended to be a complete discussion of this offering or our common stock. It does not contain all the information that is important to you. For a more complete understanding of our common stock, please refer to the section of this prospectus entitled "Description of Capital Stock."

Issuer	Cadence Financial Corporation
Common Stock offered	shares of common stock (shares of common stock if the underwriter exercises its over-allotment option in full).
Common Stock outstanding after this offering ⁽¹⁾	shares of common stock (shares of common stock if the underwriter exercises its over-allotment option in full).
Net proceeds	The net proceeds of this offering to us will be approximately \$ million (after deducting underwriting discounts and commissions and the offering expenses payable by us) based on the public offering price for the common stock of \$ per share on , 2010. The amount of net proceeds will be higher if the underwriter exercises its over-allotment option.
Use of proceeds	We expect to use substantially all of the net proceeds of this offering to fund the Bank and for general corporate purposes. The net proceeds of this offering that we contribute to the Bank will qualify as Tier 1 capital at the Bank for regulatory purposes. For a more complete description, see "Use of Proceeds."
Dividends	On May 5, 2009, our board of directors voted to suspend paying cash dividends until further notice. Furthermore, our ability to pay dividends is restricted by the consent order, banking policies and regulations and our participation in the TARP Capital Purchase Program (the "CPP"). We cannot give you any assurance when we will resume paying dividends or regarding the amount of any potential future dividends.
Market and trading symbol	Our common stock is traded on The NASDAQ Global Select Market under the symbol CADE.
Settlement Date	Delivery of the shares of our common stock sold in this offering will be made against payment therefore on or about , 2010.

⁽¹⁾ The number of shares of common stock outstanding immediately after this offering is based on 11,911,564 shares of common stock and 44,000 shares of Series A preferred stock outstanding as of May , 2010. Unless expressly stated or the context otherwise requires, all information in this prospectus excludes shares issuable pursuant to the exercise of the underwriter's over-allotment option. For more information regarding the over-allotment option, see "Underwriting."

Table of Contents**SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following table provides summary selected historical consolidated financial data for us for the periods and as of the dates indicated. Except for the data under Selected Financial Ratios, Selected Performance Ratios, Asset Quality Ratios and Capital Ratios, the summary historical consolidated financial data for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, and the selected financial data as of December 31, 2009 and December 31, 2008, are derived from our audited consolidated financial statements which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is incorporated by reference in this prospectus. The summary historical consolidated financial data for the years ended December 31, 2006 and December 31, 2005, and the selected financial data as of December 31, 2007, December 31, 2006 and December 31, 2005, are derived from audited consolidated financial statements that are not incorporated by reference in this prospectus.

The summary historical consolidated financial data as of March 31, 2010 and for the three months ended March 31, 2010 and March 31, 2009 are derived from our unaudited interim consolidated financial statements, which are included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, which is incorporated by reference in this prospectus. The summary historical consolidated financial data as of March 31, 2009 are derived from unaudited interim consolidated financial statements that are not included or incorporated by reference in this prospectus. We have prepared our unaudited consolidated financial statements on the same basis as our audited financial statements and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited periods. The financial information presented in the table below is not necessarily indicative of our financial condition, results of operations or cash flows of any other period.

	As of and for the Three Months Ended March 31, 2010 2009 (unaudited)		2009	As of and for the Year Ended December 31, 2008 2007 2006 2005			
	(Dollars in thousands, except ratios and per share data)						
Summary of Operations:							
Total interest income	\$ 17,541	\$ 21,673	\$ 80,479	\$ 102,723	\$ 121,952	\$ 96,834	\$ 73,092
Total interest expense	7,293	9,353	35,047	47,330	64,845	46,512	27,970
Net interest income	10,248	12,320	45,432	55,393	57,107	50,322	45,122
Provision for loan losses	1,621	32,761	79,328	28,599	8,130	1,656	2,128
Net interest (loss) income after provision for loan losses	8,627	(20,441)	(33,896)	26,794	48,977	48,666	42,994
Securities gains (losses), net	(13)	63	3,173	385	(17)	66	159
Total other income	3,477	4,501	20,703	17,962	&n		