First Foundation Inc.
Form 424B5
August 03, 2015
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Filed pursuant to Rule 424(b)(5)
Registration Statement Number 333-205431

SUBJECT TO COMPLETION, DATED AUGUST 3, 2015

The information in this preliminary prospectus supplement relates to an effective registration statement, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell securities and are not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus Supplement

To the Prospectus Dated July 1, 2015

$100,000,000 Common Stock

First Foundation Inc.

We are offering shares of our common stock at the public offering price of $ per share. Our common stock is traded on the NASDAQ Global Market under the symbol FFWM. On July 31, 2015, the last reported sale price of our common stock on the NASDAQ Global Market was $21.58 per share.

We are an emerging growth company as defined under the federal securities laws and are eligible for reduced public company reporting requirements.

Investing in our common stock involves risks. Please carefully read the Risk Factors beginning on page S-16 of this prospectus supplement and appearing in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated herein by reference, for a discussion of certain factors that you should consider before making your investment decision.

	Per share	Total
Public offering price		
Underwriting discount[(1)]		
Proceeds to us, before expenses		

(1) At our request, the underwriters have reserved a number of shares having a public offering price equal to an aggregate of $10,000,000 (____shares) for sale in a directed share program at the public offering price of per share set forth in the table above. We will pay reduced underwriting discounts and commissions in connection with shares sold in the directed share program. See Underwriting beginning on page S-32 for disclosure regarding the underwriting discounts, expenses payable to the underwriters and proceeds to us, before expenses.

The shares of common stock are being offered through the underwriters on a firm commitment basis. We have granted the underwriters a 30-day option to purchase up to ______ additional shares of common stock at the same price, and on the same terms, solely to cover over-allotments, if any.

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

These securities are not deposits, savings accounts, or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The underwriters expect to deliver the shares of our common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about August , 2015, subject to customary closing conditions.

The date of this prospectus supplement is August , 2015

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Corporate Organization Chart

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Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we authorized to be delivered to you. We and the underwriters have not authorized any other person to provide you with additional information or information different from that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. To the extent information in this prospectus supplement, the accompanying prospectus and any free writing prospectus is inconsistent with any of the documents incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus, you should rely on this prospectus supplement, the accompanying prospectus and any free writing prospectus. We and the underwriters are not making an offer to sell our securities in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, or any documents incorporated by reference herein or therein, is accurate as of any date other than their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, and updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about us and the common stock. You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus, together with additional information described below under the headings Where You Can Find More Information and Incorporation of Certain Information by Reference. Generally, when we refer to this prospectus we mean this prospectus supplement together with the accompanying prospectus.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. This prospectus supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that (i) the underwriters will not exercise their option to purchase additional shares of our common stock to cover over-allotments, if any, and (ii) no options, warrants, stock rights or shares of common stock were issued after July 31, 2015.

This prospectus supplement includes market size, market share and industry data that we have obtained from internal company surveys, market research, publicly available information and various industry publications. The third-party sources from which we have obtained information generally state that the information contained therein has been obtained from sources believed to be reliable, but we cannot assure you that this information is accurate or complete. We have not independently verified any of the data from third-party sources nor have we verified the underlying economic assumptions relied upon by those third parties. Similarly, internal company surveys, industry forecasts and market research, which we believe to be reliable based upon management s knowledge of the industry, have not been verified by any independent sources. Our internal company surveys are based on data we have collected over the past several years, which we believe to be reliable.

In this prospectus supplement, unless otherwise expressly stated or the context otherwise requires, the terms we, us, our and the Company refer to First Foundation Inc. and our subsidiaries on a combined basis, except that in the description of the securities offered, these terms refer solely to First Foundation Inc. and not to any of our subsidiaries. References in this prospectus supplement to FFB refer to First Foundation Bank and references to FFA refer to First Foundation Advisors.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, and the documents incorporated by reference herein and therein, contain forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this prospectus supplement, the accompanying prospectus, or the documents incorporated by reference herein or therein, are forward looking statements. The words believe, may, might, could, will, aim, estimate, continue, a intend, expect, plan and similar words are intended to identify estimates and forward-looking statements.

Our forward-looking statements are based on our current assumptions and expectations about future events and trends, which affect or may affect our business, strategy, operations or financial performance.

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Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous known and unknown risks and uncertainties and are made in light of information currently available to us. Many important factors may materially and adversely affect the results of our operations that are described in the forward-looking statements. You should read this prospectus supplement and the accompanying prospectus, and the documents we incorporate by reference herein and therein, completely and with the understanding that our actual future results may be materially different and worse from what we expect.

Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for us to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward-looking statements:

- business and economic conditions generally, and in the financial services industry, both nationally and within our local market area, principally Southern California, Las Vegas, Nevada, and Hawaii;
- liquidity, credit and interest rate risks associated with our business;
- geographic concentration of our business operations and clients;
- changes in real estate values;
- our ability to execute our strategy;
- our ability to identify potential acquisition candidates and consummate acquisitions of other financial institutions or financial service businesses;
- our ability to cross-sell our services between our banking business and our investment advisory, wealth management, and insurance businesses;
- increased competition in the financial services industry, nationally or locally;
- changes in the regulatory environment, including changes in existing banking laws or regulations, accounting regulations or standards, and federal tax law or policy;

additional, or changes in, government intervention in the U.S. financial system;

changes in the scope and cost of Federal Deposit Insurance Corporation, or FDIC, insurance and other coverage;

unexpected loss of key management personnel, relationship managers or bankers;

natural and man-made disasters, acts of terrorism, an outbreak of hostilities, and other matters beyond our control;

cyber-crime and theft of our clients personal and financial data;

data processing system failures and errors;

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- various risks related to this offering and an investment in our common stock described below; and

- other risk factors included under the heading Risk Factors beginning on page S-16 and appearing in our Annual Report on Form 10-K for the year ended December 31, 2014.

Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the results and outcomes set forth in the forward-looking statements discussed in this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference herein and therein, might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements when making an investment decision.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and may not contain all the information that you need to consider in making your investment decision. To understand this offering fully, you should read this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein carefully. You should carefully read the sections titled Risk Factors in this prospectus supplement and in the accompanying prospectus and the documents identified in the section Incorporation of Certain Information by Reference.

Overview

We are a California based financial services company that provides a comprehensive platform of personalized financial services to high net-worth individuals and their families, family businesses and other affiliated organizations. We consider high net-worth individuals to be individuals with net worth, excluding their primary residence, of over $1.0 million. Our integrated platform provides investment management, wealth planning, consulting, insurance, trust and banking services to effectively and efficiently meet the financial needs of our clients. We have also established a lending platform that offers loans to individuals and entities that own and operate multifamily residential and commercial real estate properties. In addition, we provide business banking products and services to small to moderate-sized businesses and professional firms, and consumer banking products and services to individuals and families who would not be considered high net-worth. As of June 30, 2015, we had $3.38 billion of assets under management (or AUM), $1.87 billion of total assets, $1.52 billion of loans and $1.27 billion of deposits. Our investment management, wealth planning, consulting, and trust services provide us with substantial, fee-based, recurring revenues, such that our noninterest income was 37% of our total revenues in 2014 and 33% of our total revenues for the six months ended June 30, 2015.

Our strategy is focused on expanding our strong and stable client relationships by delivering high quality, coordinated investment management, wealth planning, consulting, trust and banking products and services. We are able to maintain a client-focused approach by recruiting and retaining experienced and qualified staff, including highly qualified relationship managers, bankers and financial planners.

We intend to continue to grow our business by (i) cross-selling our services among our wealth management and banking clients; (ii) obtaining new client referrals from existing clients, attorney and accountant referral sources and through referral agreements with asset custodial firms; (iii) marketing our services directly to prospective new clients; (iv) adding experienced relationship managers and bankers who may have established client relationships that we can serve; (v) establishing de novo wealth management offices in select markets, both within and outside our existing market areas; and (vi) making opportunistic acquisitions of complementary businesses.

Our History and Growth

We commenced our operations in 1990 as a fee-based investment advisory company, with the philosophy of providing personalized investment advisory services primarily to high net-worth individuals and their families to assist them in meeting their financial goals. From 1990 to 2007, we grew our client base and added relationship managers and supporting staff. We also entered into referral agreements with asset custodial firms from which we derived a significant portion of our new clients. As a result of this growth, our assets under management exceeded $1.2 billion and we had total staff of 23 as of June 30, 2007.

In 2005 and 2006, we experienced increased competition from other companies offering a more comprehensive platform of services to their clients, including banking, investment advisory and wealth planning services. In response to this competition, we considered various strategic options, including selling our business to a larger financial institution, expanding our services or continuing on as an independent company with our

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then-current limited offerings. In late 2006, we decided to establish a federally insured bank to expand the financial services we could provide to our clients to include trust and banking services, and to attract banking clients to whom we could cross-sell our investment advisory and wealth planning services. As a result, we retained experienced banking executives to prepare and file an application to open a bank, and in September 2007, FFB was granted an insured federal savings bank charter and commenced its banking operations in the subsequent month. During the fourth quarter of 2007, we moved our corporate operations to our existing location and opened our first wealth management office in Irvine, California. We refer to each of our offices as a wealth management office since we offer a full suite of financial and investment advisory services at all locations.

In early 2008, we expanded our wealth planning and consulting offerings to include foundation administration and consulting services and family consulting services. While the trust and banking operations began to grow in 2008 and 2009, all of our operations were negatively impacted by the economic recession which began in 2008. As a result of the recession, FFB focused its lending efforts on lower risk and lower yielding products, such as multifamily lending. Our AUM at FFA decreased by over 20% between September 2007 and March 2009, resulting in decreased revenues. However, we believe that because of our strong capital position and our conservative approach to underwriting our loans, FFB did not experience the significant difficulties that most other banks faced, and we were allowed to continue to grow our business in line with our business plan. During this time, we took advantage of the opportunities to hire highly qualified relationship managers, bankers and investment professionals that existed as a result of the turmoil being experienced by many of our competitors. As of December 31, 2009, we had $1.29 billion of AUM, $201 million of loans, $182 million of deposits, $239 million of total assets and our staff totaled 66.

From 2010 through 2013, we continued to focus on expanding our client base. Over this period, we opened new wealth management offices in Pasadena and San Diego and a small branch office in La Quinta, California. Effective June 28, 2012, we converted FFB from a federal savings bank to a California state chartered bank. On August 15, 2012 we acquired Desert Commercial Bank (or DCB), a California state chartered commercial bank, based in Palm Desert, California, and merged DCB into FFB. As a result of that acquisition, we increased our total assets by $140 million, our loans by $90 million, and our deposits by $127 million, and we acquired our two wealth management offices in Palm Desert, California and in El Centro, California. Our small branch office in La Quinta was merged into the Palm Desert office. Subsequent to the acquisition of DCB in 2012, and during 2013, we opened new wealth management offices in West Los Angeles and in Las Vegas, Nevada, and completed the integration of DCB into our operations.

On November 3, 2014, our common stock was listed and commenced trading on the NASDAQ Global Market, under the ticker symbol FFWM .

Since 2014, we have continued to focus our efforts on expanding our client base, diversifying our product offerings and creating efficiencies in our operations. During 2014, as a result of its continued growth and leverage, our wealth management operations contributed $1.4 million of pretax earnings. During the second quarter of 2015, we hired David DePillo as the President of the Bank and we launched new business groups to broaden the service to existing and new customers. In May 2015, we created a property and casualty insurance brokerage business and in July 2015 we announced the formation of a specialty deposits solution. In addition, we have expanded our construction lending program.

On June 16, 2015, we acquired Pacific Rim Bank (or PRB), a Hawaii state chartered bank, based in Honolulu, Hawaii, and merged PRB into FFB. As a result of that acquisition, we increased our deposits by $119 million and our loans by $80 million.

Currently, we conduct our business from our corporate offices located in Irvine, California, and from eight wealth management offices, six of which are located in Southern California, one of which is located in Las Vegas, Nevada, and one of which is located in Honolulu, Hawaii. As part of the launching of new business groups, we intend to open a new wealth management office in northern California during the first quarter of 2016.

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We believe that as a result of our client-focused approach, and our ability to offer a comprehensive platform of personalized financial services to our clients, we have been able to retain existing clients and attract new clients. This has resulted in significant growth during the five year period that ended December 31, 2014, which is demonstrated by the following financial metrics:

- AUM increased at a compound annual growth rate of 20%;
- Loans increased at a compound annual growth rate of 42%;
- Deposits increased at a compound annual growth rate of 40%;
- Total assets increased at a compound annual growth rate of 42%;
- Trust AUM increased at a compound annual growth rate of 38%; and
- Total revenues increased at a compound annual growth rate of 35%.

To achieve this growth, we have raised additional capital to support the growth of FFB and made significant investments in our staff. The number of relationship managers and bankers has increased from 18 at December 31, 2009 to 54 at June 30, 2015. As it typically takes two to three years to break even on the investment in a relationship manager or banker, we are in a position to benefit from these investments in the coming years as the revenues generated from these relationship managers and bankers begins to exceed the related costs. However, these investments in relationship managers and bankers have, and over the next few years, will continue to result in higher costs in relation to our revenues.

Our Competitive Strengths

We believe that we are well-positioned to create additional value for our shareholders, particularly as a result of our competitive strengths, which include:

Breadth of our Services. As a result of our ability to provide investment management, wealth planning, and consulting services, in addition to traditional banking services, we believe that we offer a more comprehensive range of financial services than do most banks of comparable size in our market areas. Additionally, we believe that few banks of comparable size in our market currently provide trust services, which can provide us with a competitive advantage over those banks, as well as a source of additional fee income.

Executive Management Team with Demonstrated Ability to Grow. Our executive management team, the majority of which has been together since 2007, has proven its ability to effectively lead us and has demonstrated an ability to grow our operations, as evidenced by the 40% and over compound annual growth rate in loans, deposits and total assets from December 31, 2009 to December 31, 2014, and the 20% compound annual growth rate in AUM from December 31, 2009 to December 31, 2014.

Experienced and Collaborative Wealth Management and Banking Professionals. We believe we have built a strong team of relationship managers and bankers. Moreover, our relationship managers and bankers work collaboratively to coordinate the investment management, wealth planning, consulting, trust and banking services that we provide to our clients and have developed considerable experience in cross-selling our services.

Commitment to High Quality and Personalized Services. We believe that our growth is largely attributable to our commitment and success in providing high quality, coordinated and personalized financial services to our clients. Our client-focused culture has resulted in the majority of our new clients coming to us from referrals from existing clients, centers of influence, including attorneys and accountants, and from unaffiliated asset custodial firms with which we have entered into non-exclusive referral arrangements. Our team oriented approach provides our clients with multiple points of contact and resources to address their various financial needs.

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Stable and Scalable Platform. We have built a scalable corporate and administrative infrastructure, and have made significant investments in technology for our banking and investment management processes. In addition to our relationship managers and bankers, we have in place highly qualified executives, senior managers, and investment professionals who we believe are capable of supporting our continued growth. The nature of our business requires significant investments in operational and administrative functions. By growing our interest-earning assets and AUM, we are able to spread this fixed cost over a larger revenue base. To achieve increased profitability, we believe that it is essential for us to build our operations to a level that allows us to provide our investment management, wealth planning, consulting, trust and banking products and services in a cost effective manner.

Strong Credit Culture. We have implemented policies and procedures for credit underwriting and administration which have enabled us to maintain strong asset quality and at the same time grow our banking business, despite the continuing economic uncertainties and the sluggishness of the economic recovery in the United States. Our ratio of nonperforming assets (or NPAs) to total assets was 0.36% at June 30, 2015 and the ratio of net loan charge-offs-to average loans outstanding has averaged 0.04% for the period from January 1, 2011 to June 30, 2015.

Successful Multifamily and Commercial Real Estate Lending Platform. We have created a multifamily and commercial real estate lending platform that has resulted in the origination of over $1.08 billion of loans since the beginning of 2009. We believe that this platform has enabled us to add interest-earning assets with minimal adverse credit results. Since FFB commenced its operations in 2007, we have not experienced any chargeoffs on loans that were originated through FFB and secured by multifamily and commercial real estate properties. As of June 30, 2015, multifamily and commercial real estate loans originated by FFB represented 51% of our total loans outstanding.

Located in Strategic Markets. Our wealth management offices are located in areas that either have a high concentration of high net-worth households or are in areas where we believe the competition from other companies that provide a comprehensive platform of financial services to high net-worth individuals is limited. In addition, our wealth management office in Las Vegas offers Nevada trust powers which can offer significant benefits to high net-worth individuals and their families.

Retention of Clients. We believe that because of our client-focused culture, we have experienced a high level of retention of our clients. As an example, during the five year period ending December 31, 2014, the weighted average amount of AUM withdrawn each year as a result of client terminations as a percentage of the beginning of that year s AUM balance was less than 4.0%.

Diverse Revenue Base. We have a diverse revenue base as a result of our comprehensive platform of services. For 2014, excluding a $1.0 million gain on sale of REO, our total revenue was comprised of net interest income (64%), investment management fees (28%), trust fees (3%), deposit and other banking fees (3%) and consulting fees (2%).

Strong Deposit Base. An important driver of our financial performance has been, and we believe will continue to be, the growth and stability of our deposit base, which we use to fund our loans and other interest-earning assets. In addition to the increase in the amount of our deposits, which have grown at a compound annual rate of 40% from December 31, 2009 to December 31, 2014, we have been able to increase the proportion of more stable demand deposits, which represented 47% of our total deposits at June 30, 2015 as compared to 12% at December 31, 2009.

Our Strategy

Grow Our Business Organically. In growing our business organically, we intend to focus on adding experienced, high quality relationship managers and bankers at both our existing wealth management offices and at new wealth management offices we may open in selected market areas, both within and outside of California, Nevada and Hawaii, with demographics similar to those in our existing markets. Because a significant portion of our new business comes from referral sources, we plan to continue to work to obtain referrals from our clients, from centers of influence, including accountants and attorneys, and from loan brokers, and we will maintain non-exclusive referral arrangements with unaffiliated asset custodial firms.

Continue Cross-Selling our Services and Expand the Services We Offer Our Clients. We intend to continue to cross-sell our investment management, wealth planning, consulting, trust and banking products and services to our existing and future clients. Our compensation structures encourage a team approach to client service and reward relationship managers and bankers for facilitating the cross selling of multiple services to clients. We believe that our service-oriented culture and high quality client service will continue to enable us to strengthen and expand our client relationships and will foster continued growth in the services and products we offer them and, thereby, enabling us to increase and diversify our sources of revenues.

Grow our Business through Acquisitions. We intend to make opportunistic acquisitions that we believe will enable us to grow our franchise. While we believe that banks provide the most likely opportunities for acquisition, we will also consider acquisitions of investment management firms and insurance brokerage firms. We believe that our experience with previous transactions (including our acquisition of Desert Commercial Bank in August 2012 and Pacific Rim Bank in June 2015) makes us qualified to acquire other institutions and integrate their operations into our platform. In addition to providing us increased interest-earning assets and deposits, bank acquisitions would allow us to cross sell our investment management, wealth planning, consulting and trust services to clients acquired in the acquisition as well as new clients situated in the related geographic area. Although we do not have any immediate plans, arrangements or understandings related to any material acquisitions, we believe that the completion of this offering will further enhance our ability to compete for acquisition opportunities by providing available capital to invest.

Provide High Quality Client Services. We believe that stable long-term growth and profitability are the result of building strong client relationships, one at a time, and providing high quality, coordinated financial services. Our relationship managers and bankers strive to build long-term relationships with our clients by understanding their financial needs and identifying and delivering appropriate and coordinated financial services to them. We believe that our service-oriented culture and high quality client service differentiates us from many of our competitors.

Attract and Retain High Quality Service Professionals. Having successful and high quality service professionals is critical to driving the development of our business and delivering high quality financial services. We intend to continue hiring and developing professionals who can establish and maintain long-term client relationships which are the key to our culture, business and growth. We also believe that our business model, culture and scalable platform enable us to attract and retain high quality relationship managers and bankers who share our work ethic and our commitment to providing personalized and client-focused financial services.

Our Management Team

We believe that our management team, led by Scott Kavanaugh, our Chief Executive Officer, Ulrich (Rick) Keller, Jr., our Executive Chairman of the Board, John Hakopian, President of FFA, David DePillo, President of FFB and John Michel, our Chief Financial Officer, have the breadth of experience necessary to effectively execute our business strategy.

Our Market

Because our primary target market is high net-worth individuals and their families, family businesses and other affiliated organizations, we have located our offices in areas we believe offer us the best opportunity to locate and serve this client base. The Los Angeles-Long Beach Core-Based Statistical Area (CBSA), which includes Orange County, has over 240,000 high net-worth households (defined as those with $1.0 million or more of investable assets), making it the largest high net-worth market in the Western United States. Our wealth management offices are located in or adjacent to five of the top 12 markets in the Western United States as ranked by estimated number of high net-worth households. Listed below are the largest core-based statistical areas by estimated number of high net worth households in the Western United States as of December 31, 2014, according to data obtained from Phoenix Marketing International s Global Wealth Monitor :

Rank	Statistical Areas in Western United States (1)	Estimated Number of High Net Worth Households	Wealth Management Office in Area
1	Los Angeles-Long Beach (CA)	241,904	Irvine, Pasadena, West Los Angeles
2	San Francisco-Oakland (CA)	123,780	
3	Seattle-Tacoma-Bellevue (WA)	89,193	
4	Phoenix-Mesa-Glendale (AZ)	77,507	
5	Riverside (CA)	65,725	Palm Desert
6	San Diego-Carlsbad (CA)	65,633	San Diego
7	Denver-Aurora-Broomfield (CO)	62,562	
8	San Jose-Sunnyvale (CA)	51,642	
9	Portland-Vancouver (OR-WA)	46,823	
10	Sacramento-Roseville (CA)	45,409	
11	Las Vegas-Henderson-Paradise (NV)	31,023	Las Vegas
12	Urban Honolulu (HI)	24,729	Honolulu

(1) The Western United States is defined as Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

In addition to offering our comprehensive platform of personalized financial services primarily to high net-worth individuals and their families, family businesses and other affiliated organizations, we have established a lending platform that offers loans to individuals and entities that own and operate multifamily residential properties and commercial real estate properties. The underlying properties which secure these loans are primarily located in communities throughout California that have a significant population base and are already built out. The following is a breakdown of the location of our multifamily and commercial real estate loans by county as of March 31, 2015:

(dollars in thousands)	Amount	% of Total
California Counties:		
Los Angeles	$ 412,992	56.3%
Orange	76,357	10.4%
Riverside	60,448	8.2%
San Diego	70,428	9.6%
San Francisco	25,988	3.5%
Other counties Northern California	49,238	6.7%

Other counties Southern California	20,735	2.9%
Nevada all counties	4,232	0.6%
Other states	12,965	1.8%
Total	$ 733,383	100.0%

Our Challenges

As with all financial institutions, we face many challenges resulting from economic conditions, regulatory oversight and other factors. There are a number of risks that you should consider before investing in our common stock. These risks are discussed more fully in the section entitled Risk Factors beginning on page S-16.

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Recent Developments

On May 29, 2015, we issued 272,035 shares of common stock, at a price of $18.35 per share, to David S. DePillo, the new President of FFB, in an issuance that was exempt from registration as provided by section 4(a)(2) of the Securities Act.

On July 23, 2015, we announced our financial results for the quarter ended June 30, 2015. These results are unaudited and are subject to the risks and uncertainties relating to our business described in the section entitled Risk Factors in this prospectus supplement, and subject to adjustment in connection with the preparation and filing of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, which is expected to occur on or before August 14, 2015.

All financial data for the quarter ended June 30, 2015 set forth below are preliminary and unaudited and subject to revision based upon completion of our financial reporting process and a review by our independent registered public accounting firm of our financial condition and results of operations as of such date and for such period.

Our net income for the quarter ended June 30, 2015 was $2.9 million, or $0.35 per fully diluted share, as compared to $1.3 million, or $0.16 per fully diluted share for the quarter ended June 30, 2014, an increase of 119% in fully diluted earnings per share. For the six months ended June 30, 2015, our net income was $5.6 million, or $0.67 per fully diluted share, as compared to $2.7 million, or $0.34 per fully diluted share for the six months ended June 30, 2014, an increase of 97% in fully diluted earnings per share. Our income before taxes increased by 117%, or $2.8 million, and 98%, or $4.8 million, for the quarter and six months ended June 30, 2015, respectively as compared to the corresponding periods in 2014. The increase in net income and income before taxes resulted primarily from increases in our revenues with minimal increases in our noninterest expenses. Excluding a $0.7 million gain on sale of REO realized in the second quarter of 2014, our total revenues, which consist of net interest income and noninterest income, increased by 27% and 23%, respectively, for the quarter and six months ended June 30, 2015 as compared to the corresponding periods in 2014. The increase in revenues was due to increases in interest earning assets and AUM. For the quarter and six months ended June 30, 2015, interest earning assets were 41% and 36% higher, respectively, as compared to the corresponding periods in 2014. For the second quarter of 2015, the yield on loans was 3.92% and the cost of deposits was 0.41%. For the quarter and six months ended June 30, 2015, the AUM used for billing was 20% and 23% higher, respectively, as compared to the corresponding periods in 2014.

Our total loans at June 30, 2015 were $1.52 billion, an increase of $353 million during the first six months of 2015, as a result of loan originations and funding of existing credit commitments of $413 million and the acquisition of $80 million of loans from the PRB acquisition, which were partially offset by $140 million of payoffs and scheduled principal payments. At the end of June, we classified $113 million of our multifamily loans as held for sale as we intend to work with a federal agency to use these loans in a structured loan sale and securitization during the second half of 2015. As of June 30, 2015, AUM in our trust operations totaled $1.006 billion.

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The following table sets forth our loans, by loan category, as of:

	June 30, 2015	December 31, 2014
Outstanding principal balance:		
Loans secured by real estate:		
Residential properties:		
Multifamily	$ 421,480	$ 481,491
Single family	492,754	360,644
Total real estate loans secured by residential properties	914,234	842,135
Commercial properties	289,215	205,320
Land and construction	10,732	4,309
Total real estate loans	1,214,181	1,051,764
Commercial and industrial loans	147,755	93,537
Consumer loans	44,089	21,125
Total loans	1,406,025	1,166,426
Premiums, discounts and deferred fees and expenses	(254)	(34)
Total	$ 1,405,771	$ 1,166,392

The table above does not include $113.3 million of loans secured by multifamily properties which are classified as held for sale as of June 30, 2015.

The following table sets forth information with respect to our deposits and the average rates paid on deposits, as of:

	June 30, 2015		December 31, 2014	
(dollars in thousands)	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Demand deposits:				
Noninterest-bearing	$ 270,542		$ 246,137	
Interest-bearing	325,327	0.461%	291,509	0.502%
Money market and savings	293,980	0.503%	171,958	0.626%
Certificates of deposits	376,469	0.555%	253,350	0.619%
Total	$ 1,266,318	0.400%	$ 962,954	0.427%

Additional Information

We were incorporated in California in 2006 to become the parent holding company of First Foundation Advisors and First Foundation Bank. We are registered as a bank holding company under the Bank Holding Company Act of 1956.

Our principal executive office is located at 18101 Von Karman Avenue, Suite 700, Irvine, California 92612, where our telephone number is (949) 202-4160. Our website address is www.ff-inc.com. The information contained on (or accessible through) our website is not a part of, or incorporated by reference into, this prospectus supplement.

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The Offering

The following summary contains basic information about this offering and our common stock and is not intended to be complete. It does not contain all of the information that may be important to you. For a more complete understanding of all of the terms and provisions of our common stock, please refer to the section of this prospectus supplement entitled Description of Our Capital Stock, and our articles of incorporation and amended and restated bylaws, copies of which will be provided upon request.

Issuer	First Foundation Inc.
Shares offered	Up to ____ shares of common stock, $0.001 par value, having an aggregate offering price of $100,000,000 (1)
Offering price	$ per share
Over-allotment option	We have granted the underwriters an option to purchase up to an additional ____ shares of common stock within 30 days of the date of this prospectus supplement in order to cover over-allotments, if any.
Shares outstanding after completion of offering	____ (2)
Use of proceeds	We intend to use the net proceeds of the offering (after deducting underwriters discount and estimated expenses payable by us) of approximately $ million (or approximately $ million if the underwriters exercise their over-allotment option in full) for general corporate purposes, including, but not limited to, a contribution to the capital of our subsidiaries to support our organic growth, including the addition of new wealth management offices, and to fund possible acquisitions that we believe are complementary to our business and are expected to provide attractive risk-adjusted returns, although we do not have any immediate plans, arrangements or understandings relating to any material acquisition: We may also use the proceeds of the offering to repay all or a portion of our term loan with an unaffiliated bank, the aggregate principal amount of which was $29.0 million at July 31, 2015. See Use of Proceeds on page S-23.
Nasdaq Global Market Symbol	FFWM
Dividend policy	We have not previously paid cash dividends on our common stock. It is our current intention to invest our cash flow and earnings in the growth of our businesses and, therefore, we have no plans to pay cash dividends for the foreseeable future. Investors should not purchase our common stock with the expectation of receiving cash dividends.
Risk factors	

Investing in our common stock involves risks. You should carefully consider the information under Risk Factors beginning on page S-16 and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock.

(1) The number of shares offered assumes that the underwriter s over-allotment option is not exercised. If the over-allotment option is exercised in full, we will issue and sell up to ____ shares.

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(2) The number of shares of our common stock outstanding after this offering is based on 8,785,533 shares of our common stock issued and outstanding as of June 30, 2015. Unless otherwise noted, these references exclude:

- 1,381,058 shares of common stock are issuable upon exercise of outstanding options to purchase shares of common stock under the First Foundation Inc. 2007 Equity Incentive Plan and the First Foundation Inc. 2007 Management Stock Incentive Plan (collectively, the Stock Incentive Plans) as of June 30, 2015, at a weighted average exercise price of $12.72 per share (of which option