

FIRST PACTRUST BANCORP INC  
Form S-4  
January 03, 2013  
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As filed with the Securities and Exchange Commission on January 3, 2013.

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form S-4**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**FIRST PACTRUST BANCORP, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)

**04-3639825**  
(I.R.S. Employer  
Identification Number)

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18500 Von Karman Ave., Suite 1100

Irvine, California 92612

(949) 236-5211

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

**John C. Grosvenor**

**Executive Vice President and General Counsel**

**First PacTrust Bancorp, Inc.**

18500 Von Karman Ave., Suite 1100

Irvine, California 92612

(949) 236-5211

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

*With copies to:*

**Matthew M. Guest, Esq.**

**David R. Misch**

**Keith T. Holmes, Esq.**

**Wachtell, Lipton, Rosen & Katz**

**Chief Executive Officer**

**King, Holmes, Paterno & Berliner**

**51 West 52nd Street**

**The Private Bank of California**

**1900 Avenue of the Stars**

**New York, New York 10019**

**10100 Santa Monica Boulevard, Suite 2500**

**25th Floor**

**(212) 403-1000**

**Los Angeles, California 90067**

**Los Angeles, California 90067**

**(310) 286-0710**

**(310) 282-8989**

**Approximate date of commencement of the proposed sale of the securities to the public:**

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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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. (Check one):

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Common Stock, par value \$0.01	2,378,266	N/A	\$23,638,834(3)	\$3,225

- (1) The maximum number of shares of First PacTrust Bancorp, Inc. ( First PacTrust ) common stock estimated to be issuable upon completion of the merger of First PacTrust and The Private Bank of California ( PBOC ), as described herein. This number is based on (A) 2,083,333 shares of First PacTrust common stock issuable in exchange for all shares of PBOC common stock issued and outstanding immediately prior to the completion of the merger and (B) the number of shares of PBOC common stock reserved for issuance under various plans as of December 27, 2012, which shall be converted into options to purchase First PacTrust common shares, in each case pursuant to the terms of the Agreement and Plan of Merger, dated as of August 21, 2012, by and between First PacTrust and PBOC and attached to the proxy statement/prospectus as Annex A.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rules 457(f) and 457(c) under the Securities Act, based on a rate of \$136.40 per \$1,000,000 of the proposed maximum aggregate offering price.
- (3) The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of PBOC common stock (the securities to be cancelled in the merger) in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: (A) the product of (i) \$11.70, the average of the high and low prices per share of PBOC common stock as reported on the OTC Bulletin Board on December 27, 2012 and (ii) 4,147,551 the estimated maximum number of shares of PBOC common stock that may be exchanged for the merger consideration, including shares reserved for issuance under various equity plans, minus (B) \$24,887,513, the estimated aggregate amount of cash to be paid by the registrant in the merger.

**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 dates as the Commission, acting pursuant to said Section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 3, 2013**

[PBOC Logo]

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On August 21, 2012, The Private Bank of California, Beach Business Bank and First PacTrust Bancorp, Inc. agreed to a strategic business combination in which Private Bank will merge with Beach Business Bank, a wholly owned subsidiary of First PacTrust (or, at the option of First PacTrust, Pacific Trust Bank, fsb, a wholly owned subsidiary of First PacTrust, as further described in this proxy statement/prospectus). In the merger, all of the issued and outstanding shares of Private Bank common stock will be converted into, in aggregate, (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments. Based on the number of Private Bank common shares outstanding as of [ ], each share of Private Bank common stock would be converted into [ ] shares of First PacTrust common stock and \$[ ] if the merger had been completed as of that date. However, the exact number of First PacTrust shares and amount of cash you may be entitled to receive in the merger will depend on the number of Private Bank common shares issued and outstanding on the date the merger is actually completed.

We are sending you this proxy statement/prospectus to notify you of and invite you to the special meeting of The Private Bank of California shareholders being held to consider the Agreement and Plan of Merger, dated as of August 21, 2012, as it may be further amended from time to time (which we refer to as the merger agreement), that The Private Bank of California has entered into with First PacTrust, and to ask you to vote at the special meeting in favor of the approval of the merger agreement.

The special meeting of Private Bank shareholders will be held on [ ] at [ ] at 9:30 a.m. local time.

At the special meeting, you will be asked to approve the merger agreement. In the merger, The Private Bank of California will merge with Beach Business Bank, a wholly owned subsidiary of First PacTrust (or, at the option of First PacTrust, Pacific Trust Bank, fsb, a wholly owned subsidiary of First PacTrust, as further described in this proxy statement/prospectus). You will also be asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

The market value of the merger consideration will fluctuate with the market price of First PacTrust common stock and will not be known at the time you vote on the merger. First PacTrust common stock is currently quoted on the NASDAQ Global Market under the symbol BANC. On [ ], the last trading day before the date of this proxy statement/prospectus for which it was practicable to obtain this information, the closing share price of First PacTrust common stock was \$[ ] per share as reported on the NASDAQ Global Market. **We urge you to obtain current market quotations for First PacTrust and The Private Bank of California.**

Your vote is important. We cannot complete the merger unless The Private Bank of California's shareholders approve the merger agreement. In order for the merger to be approved, the holders of at least a majority of the shares of Private Bank common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement. Regardless of whether or not you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Failing to vote will have the same effect as voting against the merger.

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**The Private Bank of California's board of directors unanimously recommends that Private Bank shareholders vote FOR approval of the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.**

This proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including Risk Factors, for a discussion of the risks relating to the proposed merger. You also can obtain information about First PacTrust from documents that it has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact The Private Bank of California's proxy solicitor, [ ] at [ ] (toll free), or at [ ]. Banks and brokerage firms should call [ ] at [ ]. We look forward to seeing you at [ ] in [ ], California.

R. Todd Neilson  
*Chairman of the Board*  
The Private Bank of California

**Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the California Department of Financial Institutions, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either First PacTrust or The Private Bank of California, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is [ ], and it is first being mailed or otherwise delivered to Private Bank shareholders on or about [ ].

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[PBOC Logo]

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of The Private Bank of California:

The Private Bank of California will hold a special meeting of shareholders at 9:30 a.m. local time, on [ ] at [ ], to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of August 21, 2012, by and among First PacTrust Bancorp, Inc., Beach Business Bank and The Private Bank of California, pursuant to which The Private Bank of California will merge with Beach Business Bank, a wholly owned subsidiary of First PacTrust (or, at the option of First PacTrust, Pacific Trust Bank, fsb, a wholly owned subsidiary of First PacTrust), as more fully described in the attached proxy statement/prospectus; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

We have fixed the close of business on [ ], 2013 as the record date for the special meeting. Only Private Bank shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. In order for the merger to be approved, the holders of a majority of the shares of Private Bank common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement.

**Your vote is very important.** We cannot complete the merger unless The Private Bank of California's common shareholders approve the merger agreement. Failure to vote will have the same effect as voting against the merger.

**Regardless of whether you plan to attend the special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.**

The enclosed proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the proxy statement/prospectus, including any documents incorporated in the proxy statement/prospectus by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of Private Bank common stock, please contact The Private Bank of California's proxy solicitor, [ ] at [ ].

**The Private Bank of California's board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Private Bank shareholders vote FOR the approval of the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of such approval.**

**BY ORDER OF THE BOARD OF DIRECTORS,**

Joyce N. Kaneda  
Corporate Secretary  
The Private Bank of California

Los Angeles, California

[ ], 2013

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about First PacTrust from documents filed with or furnished to the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First PacTrust at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting First PacTrust at the following address:

**First PacTrust Bancorp, Inc.**

18500 Von Karman Avenue, Suite 1100

Irvine, California 92612

Attention: Secretary

Telephone: (949) 236-5211

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting. This means that Private Bank shareholders requesting documents must do so by [ ], 2013, in order to receive them before the special meeting.**

In addition, if you have questions about the merger or the Private Bank special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact [ ], at the following address and telephone numbers:

[ ]

[ ]

[ ]

[ ]

Banks and brokerage firms please call: [ ]

The Private Bank of California does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and accordingly does not file documents or reports with the SEC. The Private Bank of California's audited consolidated financial statements for the fiscal year ended, and as of, December 31, 2011 and December 31, 2010, and the unaudited consolidated financial statements for the interim period ended, and as of, September 30, 2012, were included as exhibits to the Current Report on Form 8-K filed by First PacTrust on December 3, 2012, and are incorporated by reference into this proxy statement/prospectus.

See [Where You Can Find More Information](#) for more details.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE PBOC SPECIAL MEETING**

The following are some questions that you may have regarding the merger and The Private Bank of California special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information**.

References in this proxy statement/prospectus to **PBOC** or **Private Bank** refer to The Private Bank of California, a California-chartered state bank. References in this proxy statement/prospectus to **First PacTrust** refer to First PacTrust Bancorp, Inc., a Maryland corporation, and, unless the context otherwise requires, to its affiliates. References in this proxy statement/prospectus to **Beach** refer to Beach Business Bank, a California corporation and a wholly owned subsidiary of First PacTrust.

**Q: What am I being asked to vote on at the PBOC special meeting?**

A: First PacTrust and PBOC have entered into an Agreement and Plan of Merger, dated as of August 21, 2012, which we refer to as the merger agreement, pursuant to which First PacTrust has agreed to acquire PBOC. Under the terms of the merger agreement, PBOC will merge with and into Beach, a wholly owned subsidiary of First PacTrust, with Beach continuing as the surviving entity. We refer to this transaction (including the alternative structure described in the immediately following sentence) as the merger. The merger agreement provides that if First PacTrust gives written notice to PBOC no later than three business days prior to the completion of the merger, First PacTrust may revise the structure of the merger so that PBOC merges with and into Pacific Trust Bank, fsb, a federal savings bank and a wholly owned subsidiary of First PacTrust, which we refer to as PacTrust Bank, with PacTrust Bank as the surviving entity in the merger (we refer to this alternative as the alternative structure).

PBOC shareholders are also being asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement. This is referred to as the adjournment proposal.

**Q: What will I receive in the merger?**

A: If the merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments, which we refer to as the merger consideration. Based on the number of PBOC common shares outstanding as of [ ], each share of PBOC common stock would have been converted into [ ] shares of First PacTrust common stock and \$[ ] in cash if the merger had been completed as of that date. The exact number of First PacTrust shares and amount of cash you may be entitled to receive in the merger will depend on the number of PBOC common shares outstanding on the date the merger is actually completed.

The merger consideration is subject to the following adjustment: if the value of the merger consideration, calculated using \$12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC's tangible common equity as of the last business day of the month before the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related costs and expenses) then the cash portion of the merger consideration will be adjusted downward until the total value of the merger consideration is equal to such amount.

First PacTrust will not issue any fractional shares of First PacTrust common stock in the merger. PBOC shareholders who would otherwise be entitled to a fractional share of First PacTrust common stock upon the completion of the merger will instead receive an amount in cash calculated using \$12.00 as the value of one share of First PacTrust common stock.

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**Q: Will the value of the merger consideration change between the special meeting and the time the merger is completed?**

A: The value of the merger consideration may fluctuate between the special meeting and the completion of the merger based upon the market value of First PacTrust common stock. In the merger you will receive a number of shares of First PacTrust common stock for each share of PBOC common stock you hold. Any fluctuation in the market price of First PacTrust common stock after the special meeting will change the value of the shares of First PacTrust common stock that you will receive.

**Q: How does PBOC's board of directors recommend that I vote at the special meeting?**

A: PBOC's board of directors unanimously recommends that you vote **FOR** the proposal to approve the merger agreement and **FOR** the adjournment proposal.

**Q: When and where is the PBOC special meeting?**

A: The PBOC special meeting will be held at [ ] on [ ], at 9:30 a.m. local time.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your shares in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote at the special meeting will need to obtain a proxy form from the institution that holds their shares.

**Q: What constitutes a quorum for the special meeting?**

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of PBOC common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

**Q: What is the vote required to approve each proposal at the PBOC special meeting?**

A: Approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of PBOC common stock as of the close of business on [ ], 2013, the record date for the special meeting. Approval of the adjournment proposal requires the affirmative vote of a majority of the shares of PBOC common stock represented in person or by proxy at the special meeting, even if less than a quorum.

**Q: Why is my vote important?**

If you do not vote, it will be more difficult for PBOC to obtain the necessary quorum to hold its special meeting. In addition, your failure to vote or failure to instruct your bank or broker as to how to vote will

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have the same effect as a vote against approval of the merger agreement. The merger agreement must be approved by the holders of a majority of the outstanding shares of PBOC common stock entitled to vote at the special meeting. PBOC's board of directors unanimously recommends that you vote to approve the merger agreement.

**Q: If my shares of common stock are held in street name by my bank or broker, will my bank or broker automatically vote my shares for me?**

A: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker as to how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

**Q: What if I abstain from voting or fail to instruct my bank or broker?**

A: If you fail to vote, mark ABSTAIN on your proxy or fail to instruct your bank or broker with respect to the proposal to approve the merger agreement, it will have the same effect as a vote AGAINST the proposal.

If you mark ABSTAIN on your proxy with respect to the adjournment proposal, it will have the same effect as a vote AGAINST the proposal. The failure to vote or failure to instruct your bank or broker with respect to the adjournment proposal, however, will have no effect on the adjournment proposal.

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. All shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of PBOC common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. PBOC reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without PBOC's express written consent.

**Q: Can I change my vote?**

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to PBOC's corporate secretary, (3) voting again by telephone or the Internet or (4) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by PBOC after the vote will not affect the vote. PBOC's corporate secretary's mailing address is: Secretary, The Private Bank of California, 10100 Santa Monica Boulevard, Suite 2500, Los Angeles, California, 90067. If you hold your shares in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

**Q: Will PBOC be required to submit the proposal to approve the merger agreement to its shareholders even if PBOC's board of directors has withdrawn, modified or qualified its recommendation?**

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A: Yes. Unless the merger agreement is terminated before the PBOC special meeting, PBOC is required to submit the proposal to approve the merger agreement to its shareholders even if PBOC's board of directors has withdrawn or modified its recommendation.

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**Q: What are the U.S. federal income tax consequences of the merger to PBOC shareholders?**

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and U.S. holders of PBOC common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of PBOC common stock for shares of First PacTrust common stock in the merger, except that U.S. holders will recognize gain (but not loss) to the extent of the amount of any cash received in the merger. For further information, see Material U.S. Federal Income Tax Consequences of the Merger.

*The U.S. federal income tax consequences described above may not apply to all holders of PBOC common stock. A holder's tax consequences will depend on its individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

**Q: What if I want to exercise dissenters' rights?**

A: If you want to exercise dissenters' rights and receive the fair value of your PBOC shares in cash instead of the merger consideration described in this proxy statement/prospectus, your shares must not be voted FOR approval of the merger agreement, and you must follow other procedures after the meeting, as described in Annex C. If you return a signed proxy without voting instructions or with instructions to vote FOR the merger agreement, your shares will be automatically voted in favor of the merger agreement and you will lose dissenters' rights. Thus, if you wish to dissent and you execute and return a proxy, you must specify that your shares are to be either voted AGAINST or ABSTAIN with respect to approval of the merger.

**Q: If I am a PBOC shareholder, should I send in my PBOC stock certificates now?**

A: No. Please do not send in your PBOC stock certificates with your proxy. After the merger, an exchange agent designated by First PacTrust will send you instructions for exchanging PBOC stock certificates for the merger consideration. See The Merger Agreement Conversion of Shares; Exchange of Certificates.

**Q: What should I do if I hold my shares of PBOC common stock in book-entry form?**

A: You are not required to take any specific actions if your shares of PBOC common stock are held in book-entry form, and you may vote your shares in the same manner as certificated shares may be voted. After the completion of the merger, shares of PBOC common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of First PacTrust common stock in book-entry form, and any cash to be received in the merger.

**Q: Whom may I contact if I cannot locate my PBOC stock certificate(s)?**

A: If you are unable to locate your original PBOC stock certificate(s), you should contact Computershare at 800-962-4284.

**Q: When do you expect to complete the merger?**

A:

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PBOC, Beach and First PacTrust expect to complete the merger during the second quarter of 2013. However, neither PBOC nor First PacTrust can assure you when or if the merger will occur. PBOC, Beach and First PacTrust must first obtain the approval of PBOC shareholders at the special meeting and the necessary regulatory approvals.

**Q: Whom should I call with questions?**

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of PBOC common stock, please contact: [ ], PBOC's proxy solicitor, at [ ]. Banks and brokerage firms should call [ ] at [ ].



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**SUMMARY**

**This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to carefully read the entire proxy statement/prospectus, including the appendices, and the other documents to which we refer in order to fully understand the merger. See **Where You Can Find More Information**. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.**

**In the Merger, PBOC Shareholders Will Receive Cash and Shares of First PacTrust Common Stock (page [ ])**

If the merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments. Based on the number of PBOC common shares outstanding as of [ ], 2013, each share of PBOC common stock would have been converted into [ ] shares of First PacTrust common stock and \$[ ] in cash if the merger had been completed as of that date. The exact number of First PacTrust shares and amount of cash you may be entitled to receive in the merger will depend on the number of PBOC common shares outstanding on the date the merger is actually completed.

The merger consideration is subject to the following adjustment: if the value of the merger consideration, calculated using \$12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC's tangible common equity as of the last business day of the month before the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related costs and expenses), then the cash portion of the merger consideration will be adjusted downward until the value of the merger consideration is equal to such amount.

First PacTrust will not issue any fractional shares of First PacTrust common stock in the merger. PBOC shareholders who would otherwise be entitled to a fractional share of First PacTrust common stock upon the completion of the merger will instead receive an amount in cash calculated using \$12.00 as the value of one share of First PacTrust common stock.

*For example, if you hold 10 shares of PBOC common stock and there are 3,900,000 shares of PBOC common stock outstanding at the time the merger is completed, you will receive 5 shares of First PacTrust common stock and a total cash payment of \$67.91 (i.e., 2,083,333 divided by 3,900,000, multiplied by 10 = 5.3419 shares, and (A) \$24,887,513 divided by 3,900,000, multiplied by 10 = \$63.81, plus (B) 0.3419 multiplied by \$12.00=4.10, which represents a cash payment instead of the 0.3419 fractional shares of First PacTrust common stock that you otherwise would have received).*

The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

**PBOC's Board of Directors Unanimously Recommends that PBOC Shareholders Vote **FOR** Approval of the Merger Agreement (page [ ])**

PBOC's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of PBOC and its shareholders and has unanimously approved the merger and the merger agreement. PBOC's board of directors unanimously

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recommends that PBOC shareholders vote FOR approval of the merger agreement. For the factors considered by PBOC's board of directors in reaching its decision to approve the merger agreement, see The Merger PBOC's Reasons for the Merger; Recommendation of PBOC's Board of Directors.

### **Milestone Advisors, LLC Has Provided an Opinion to PBOC's Board of Directors Regarding the Merger Consideration (page [ ] and Annex B)**

On August 21, 2012, Milestone Advisors, LLC, PBOC's financial advisor in connection with the merger, which we refer to as Milestone, rendered its oral opinion to PBOC's board of directors, subsequently confirmed in writing, that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth in the written opinion, the merger consideration was fair, from a financial point of view, to the holders of shares of PBOC common stock.

The full text of Milestone's opinion, dated August 21, 2012, is attached as Annex B to this proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Milestone in rendering its opinion.

Milestone's opinion is directed to PBOC's board of directors, addresses only the fairness of the merger consideration from a financial point of view to the holders of shares of PBOC common stock on the date the opinion was rendered, and does not address any other aspect of the merger or constitute a recommendation as to how any shareholders of PBOC should vote at any shareholder meeting held in connection with the merger.

For further information, see The Merger Opinion of Milestone Advisors, LLC.

### **What Holders of PBOC Stock Options and Other Equity-Based Awards Will Receive (page [ ])**

Each option to acquire PBOC common stock, which we refer to as a PBOC option, that is outstanding immediately prior to the completion of the merger will be converted into an option to purchase a number of whole shares of First PacTrust common stock (rounded down to the nearest whole share) equal to the number of shares of PBOC common stock subject to such PBOC option immediately prior to the completion of the merger multiplied by a fraction, which we refer to as the option exchange ratio (as described below), at a per-share exercise price (rounded up to nearest whole penny) equal to the per-share exercise price for each such PBOC common share subject to such PBOC option immediately prior to the completion of the merger divided by the option exchange ratio. The option exchange ratio is a fraction, the numerator of which is the per share merger consideration value and the denominator of which is \$12.00. The First PacTrust options issued in exchange for PBOC options will otherwise be issued on substantially similar aggregate terms and conditions (including with respect to vesting) as applied to each PBOC option immediately prior to the completion of the merger. First PacTrust may convert the PBOC options into options issued pursuant to an existing benefit plan of First PacTrust or its affiliates, so long as such conversion does not materially and adversely affect the holders of the PBOC options and is consistent with the above-described adjustment provisions.

Each restricted share of PBOC common stock that is outstanding immediately prior to the closing of the merger, which we refer to as a PBOC restricted share, will, under its terms, vest in full and become free of all restrictions as of the closing of the merger. At the closing of the merger, the holder of any such PBOC restricted shares will be entitled to receive the merger consideration in respect of each of his or her PBOC restricted shares. For more information, see The Merger Interests of PBOC's Directors and Executive Officers in the Merger.

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**PBOC Will Hold its Special Meeting on [ ] (page [ ])**

The special meeting of PBOC shareholders will be held on [ ], at 9:30 a.m. local time, at [ ]. At the special meeting, PBOC shareholders will be asked to:

approve the merger agreement and the transactions it contemplates; and

approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement, which we refer to as the adjournment proposal.

Only holders of record at the close of business on [ ], 2013 will be entitled to vote at the special meeting. Each share of PBOC common stock is entitled to one vote on each proposal to be considered at the PBOC special meeting. As of the record date, there were [ ] shares of PBOC common stock entitled to vote at the special meeting. Each of the directors of PBOC and certain of the executive officers and other shareholders of PBOC have entered into voting agreements with First PacTrust, pursuant to which they have agreed, solely in their capacity as PBOC shareholders, to vote all of their shares of PBOC common stock in favor of the proposals to be presented at the special meeting. As of the record date, PBOC directors, executive officers and other shareholders who are parties to the voting agreements beneficially owned and were entitled to vote an aggregate of approximately [ ] shares of PBOC common stock. As of the record date, the directors and executive officers of PBOC beneficially owned and were entitled to vote approximately [ ] shares of PBOC common stock representing approximately [ ]% of the shares of PBOC common stock outstanding on that date, and held options to purchase [ ] shares of PBOC common stock and [ ] shares underlying restricted stock awards. As of the record date, First PacTrust and its subsidiaries held no shares of PBOC common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [ ] shares of PBOC common stock.

To approve the merger agreement, holders of a majority of the outstanding shares of PBOC common stock entitled to vote at the special meeting must vote in favor of approving the merger agreement. Because approval is based on the affirmative vote of a majority of the shares outstanding, your failure to vote, failure to instruct your bank or broker how to vote with respect to the proposal to approve the merger agreement or abstention will have the same effect as a vote against approval of the merger agreement.

Approval of the adjournment proposal requires the affirmative vote of a majority of shares of PBOC common stock entitled to vote on, and represented in person or by proxy at the special meeting, even if less than a quorum. Because approval of the adjournment proposal is based on the affirmative vote of a majority of shares voting or expressly abstaining at the special meeting, abstentions will have the same effect as a vote against such proposal. The failure to vote or failure to instruct your bank or broker how to vote with respect to the adjournment proposal, however, will have no effect on such proposal.

**PBOC's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page [ ])**

PBOC shareholders should be aware that PBOC's directors and executive officers have interests in the merger that are different from, or in addition to, those of PBOC shareholders generally. These interests may create potential conflicts of interest. PBOC's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement and in recommending that PBOC's shareholders vote in favor of approving the merger agreement. These interests include:

PBOC has entered into agreements with each of its current and former nonemployee directors, none of whom will be directors of First PacTrust, pursuant to which each director has agreed not to exercise his or her outstanding options prior to the effective time of the merger and PBOC will pay to the director

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for each share covered by his or her options an amount equal to the cash value of the merger consideration (based on a First PacTrust share value of \$12.00 per share for this purpose) minus \$10.00, which is the per share exercise price of the options.

PBOC has employment agreements with David Misch, its Chief Executive Officer, and Richard Smith, its President, and change in control agreements with Suzanne Dondanville, Joyce Kaneda and Nick Zappia, all of whom are executive officers of PBOC. In general, and as described in this summary and more fully in the disclosures under *The Merger* Interests of PBOC's Directors and Executive Officers in the Merger, each of these agreements provides for lump sum cash severance payments and other benefits upon a qualifying termination of employment following a change in control of PBOC (as defined in the respective agreements). The merger would constitute a change in control under each of these agreements. If the merger is completed, however, each of these agreements will be wholly or partially superseded by an agreement or plan entered into with or adopted by PBOC or First PacTrust in anticipation of the merger, as described in the summary below and more fully in the disclosures under *The Merger* Interests of PBOC's Directors and Executive Officers in the Merger .

PBOC's employment agreement with Mr. Misch was for an original term of three years ending January 4, 2013 and has been extended until the closing date of the merger, the termination of the merger agreement, or August 21, 2013, whichever occurs first. Under the agreement, among other things, Mr. Misch receives a base salary of not less than \$285,000 and is generally entitled to receive benefits under and participate in benefit plans of PBOC. Under the agreement, in the event of a qualifying termination of employment following a change in control in the Bank (as defined in the agreement), Mr. Misch will receive a lump sum cash severance payment equal to one times the highest annual cash compensation paid to him during the three years preceding the change in control and continuation of medical benefits for a period of twelve months; provided, however, that the amount of any benefits to be paid under the agreement in the event of a change in control would be limited to the amounts allowed as deductible payments pursuant to Section 280G of the Internal Revenue Code. Mr. Misch entered into a new employment agreement with First PacTrust that, upon the effective time of the merger, supersedes his existing employment agreement with PBOC in its entirety.

First PacTrust has entered into a three-year employment agreement with Mr. Misch that becomes effective upon the completion of the merger. Under the agreement, Mr. Misch will be Executive Vice President and Chief Risk Officer, receive an annual base salary of not less than \$350,000, a guaranteed minimum bonus of \$100,000 for 2013 (subject to continued employment through December 31, 2013), a grant of an option to purchase 100,000 shares of First PacTrust common stock (which options vest in ratable installments on each of the first, second and third anniversaries of the completion of the merger, subject to his continued employment through the applicable vesting date, and in full upon a severance-qualifying termination under the terms of the agreement) and, in the event Mr. Misch either resigns for any reason from January 1, 2014 through June 30, 2014 or incurs a severance-qualifying termination at any time during the term of the agreement, \$250,000 in cash severance paid in installments and health care continuation cost reimbursements, for 18 months after termination.

Mr. Smith's employment agreement with PBOC is for a term of three years commencing January 1, 2009, subject to automatic extension for subsequent one year periods unless notice to terminate the agreement is provided at least 180 days prior to the end of the then-current term. This agreement has been automatically extended. Under the agreement, among other things, Mr. Smith receives a base salary of \$329,200 per year plus other benefits, and, in the event of a qualifying termination of employment following a change in control in the Bank (as defined in the agreement), Mr. Smith will receive a lump sum cash payment equal to one times the highest annual cash compensation paid to him during the three years preceding the change in control and continuation of medical benefits for a period of twelve months. Mr. Smith entered into a retention agreement with First PacTrust that, upon the effective time of the merger, supersedes the above-described change-in-control severance provision in his existing employment agreement with PBOC in its entirety.

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First PacTrust has entered into a retention agreement with Mr. Smith that becomes effective upon the completion of the merger. Pursuant to the agreement, Mr. Smith is entitled to receive two, equal, lump-sum retention bonus installments in an aggregate amount of \$404,200, subject to his continued employment through 90 days and 18 months after the completion of the merger. Upon a qualifying termination of employment after the completion of the merger and prior to the applicable retention bonus payment date, Mr. Smith is entitled to receive payment of any unpaid installments, and a lump-sum payment of the base salary that would have been paid to him through the 18-month anniversary of the completion of the merger had his employment not been terminated.

The Bank has also entered into change in control agreements with Suzanne Dondanville, Joyce Kaneda and Nick Zappia, which provide that in the event of a qualifying termination of employment of the executive following a change in control in the Bank (as defined in the agreement), the executive will receive a lump sum cash payment equal to one times the highest annual cash compensation paid to him or her during the three years preceding the change in control and continuation of medical benefits for a period of twelve months. The payments under the change in control agreements (and any other payments made to the executives in connection with such a change in control of the Bank) are reduced to the applicable executive's safe harbor amount under Sections 280G and 4999 of the Internal Revenue Code if the payment of such amounts would cause the executive's total payments to be subject to the excise tax under Section 4999 of the Internal Revenue Code. Although the Bank previously entered into such change in control agreements with Suzanne Dondanville, Joyce Kaneda and Nick Zappia, each of Mss. Dondanville and Kaneda entered into severance and retention arrangements with PBOC, and Mr. Zappia entered into a retention agreement with First PacTrust, which, upon the effective time of the merger, supersede the above-described change-in-control severance provisions in their existing agreements with PBOC in their entirety.

First PacTrust has entered into a retention agreement with Mr. Zappia that becomes effective upon the completion of the merger. Pursuant to Mr. Zappia's agreement, he would be entitled to receive two, equal, lump-sum retention bonus installments in an aggregate amount of \$280,000, subject to his continued employment through 90 days and 18 months after the completion of the merger. Upon a qualifying termination of employment after the completion of the merger and prior to the applicable retention bonus payment date, Mr. Smith would receive payment of any unpaid installments.

In connection with the merger, PBOC has adopted a severance and retention plan for certain employees, including Suzanne Dondanville and Joyce Kaneda, executive officers of the Bank. David Misch, Richard Smith, and Nick Zappia do not participate in this plan. The plan provides for Mss. Dondanville and Kaneda to receive an amount equal to 50% of their highest one-year compensation (as defined in their change of control agreements) over the past two years, provided they continue to be employed by First PacTrust 90 days after the effective time of the merger. Mss. Dondanville and Kaneda would be entitled to receive an additional 50% of the compensation plus any unpaid installments of such retention amounts on the earlier of (a) the one-year anniversary of the effective time, or immediately upon involuntary termination by First PacTrust (other than for cause) if such termination occurs within one year after the effective time. Additionally, the officer is entitled to one year of medical coverage upon a termination of the officer's employment by First PacTrust other than for cause within one year after the effective time of the merger.

Each PBOC option that is outstanding immediately prior to the completion of the merger will be converted into an option to purchase a number of whole shares of First PacTrust common stock (rounded down to the nearest whole share) equal to the number of shares of PBOC common stock subject to such PBOC option immediately prior to the completion of the merger multiplied by the option exchange ratio at a per-share exercise price (rounded up to nearest whole penny) equal to the per-share exercise price for each such PBOC common share subject to such PBOC option immediately prior to the completion of the merger divided by the option exchange ratio. The First PacTrust options issued in exchange for PBOC options will otherwise be issued on substantially similar aggregate terms

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and conditions (including with respect to vesting) as applied to each PBOC option immediately prior to the completion of the merger. First PacTrust may convert the PBOC options into options issued pursuant to an existing benefit plan of First PacTrust or its affiliates, so long as such conversion does not materially and adversely affect the holders of the PBOC options and is consistent with the above-described adjustment provisions.

In addition, each PBOC restricted share will, under its terms, vest in full and become free of all restrictions as of the closing of the merger. At the closing of the merger, the holder of any such PBOC restricted shares will be entitled to receive the merger consideration in respect of each of his or her PBOC restricted shares.

For a more complete description of these interests, see The Merger Interests of PBOC's Directors and Executive Officers in the Merger and The Merger Agreement Treatment of PBOC Stock Options and Other Equity-Based Awards.

### **PBOC Shareholders Who Do Not Vote For the Merger Will Have Dissenters Rights (page [ ])**

Under California law, which is the law under which PBOC is incorporated, the holders of PBOC common stock will be entitled to dissenters appraisal rights in connection with the merger, provided they do not vote FOR the merger and comply with all other applicable statutory procedures for asserting dissenters rights required by California law. Thus, if you wish to dissent and you execute and return a proxy in the accompanying form, you must specify that your shares are to be voted AGAINST or ABSTAIN with respect to approval of the merger. If you do not return your proxy then you also may exercise your dissenters rights. Shareholders who exercise their dissenters rights by complying with the applicable statutory procedures required by California law will be entitled to receive payment in cash for the fair value of their shares as determined by PBOC or, in the event that PBOC and such shareholders cannot agree on the fair value of their shares, in a judicial proceeding. The procedures to be followed by dissenting shareholders are described below in The Merger Dissenters Rights in the Merger.

### **Conditions That Must Be Satisfied or Waived for the Merger to Occur (page [ ])**

Currently, PBOC and First PacTrust expect to complete the merger during the second quarter of 2013. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the merger agreement by PBOC's shareholders and the receipt of certain required regulatory approvals.

Neither PBOC nor First PacTrust can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

### **Termination of the Merger Agreement (page [ ])**

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

the merger has not been completed by May 21, 2013, which we refer to as the end date (if the failure to complete the merger by that date is not caused by the terminating party's breach of the merger agreement);

any required regulatory approval has been denied by the relevant regulatory authority and this denial has become final and nonappealable, or a regulatory authority has issued a final, nonappealable injunction permanently enjoining or otherwise prohibiting the completion of the merger or the other transactions contemplated by the merger agreement;

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there is a breach of the merger agreement by the other party that would cause the conditions for completion of the merger not to be satisfied, and the breach is not cured prior to the earlier of May 21, 2013 and 30 business days following written notice of the breach; or

PBOC shareholders fail to approve the merger agreement at the PBOC special meeting, and PBOC is not obligated to resubmit the merger agreement to its shareholders for approval at a second shareholder meeting as described below in The Merger Agreement PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors, or the merger agreement is resubmitted to PBOC shareholders at a second shareholder meeting and the PBOC shareholders fail to approve the merger agreement at such shareholder meeting.

In addition, First PacTrust may terminate the merger agreement in the following circumstances:

PBOC shareholders fail to approve the merger agreement at the special meeting (regardless of whether or not PBOC is obligated to resubmit the merger agreement to its shareholders for approval at a second shareholder meeting as described below in The Merger Agreement PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors );

PBOC's board of directors fails to recommend to the PBOC shareholders that they approve the merger agreement or withdraws, modifies or qualifies such recommendation in a manner adverse to First PacTrust;

PBOC's board of directors fails to reaffirm its recommendation of the merger within 10 business days after the public announcement of an alternate acquisition proposal (or material modification thereto);

PBOC's board of directors breaches its non-solicitation obligations described below in The Merger Agreement Agreement Not to Solicit Other Offers or its obligations with respect to calling shareholder meetings and alternate acquisition proposals described below in The Merger Agreement PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors ;

PBOC's board of directors approves, recommends or endorses an alternative transaction (as described below in The Merger Agreement PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors ) or acquisition proposal; or

required regulatory approvals have been obtained, but with materially burdensome conditions being imposed on First PacTrust. A materially burdensome condition is one that would have a material adverse effect on First PacTrust or on PBOC, in each case measured on a scale relative to PBOC.

**Termination Fee (page [ ])**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by PBOC's board of directors, PBOC may be required to pay First PacTrust a termination fee of \$2 million and to reimburse First PacTrust's expenses incurred in connection with the merger agreement and the transactions contemplated thereby. The termination fee could discourage other companies from seeking to acquire or merge with PBOC.

**Regulatory Approvals Required for the Merger (page [ ])**

Both PBOC and First PacTrust have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from, among others: the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve Board, the Federal Deposit Insurance Corporation, which we refer to as the FDIC, and the California Department of Financial Institutions, which we refer to as the DFI. First PacTrust and PBOC are in the process of filing applications and notifications to obtain the required regulatory approvals.





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Although neither PBOC nor First PacTrust knows of any reason why it cannot obtain these regulatory approvals in a timely manner, PBOC and First PacTrust cannot be certain when or if they will be obtained, or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to, or have a material adverse effect on, First PacTrust after completion of the merger.

### **Board of Directors and Executive Officers of First PacTrust Following Completion of the Merger (page [ ])**

The size and composition of First PacTrust's board of directors and Beach's board of directors will not be affected by the merger.

David Misch, Chief Executive Officer of PBOC, has agreed to serve as First PacTrust's Chief Risk Officer following the completion of the merger. David Misch, Richard Smith, and Nick Zappia, all of whom are executive officers of PBOC, have each entered into agreements to continue working with First PacTrust following the closing. Richard Pachulski, a member of the board of directors of PBOC, has agreed to serve as the Chairman of a new Advisory Board to be formed by First PacTrust. See "The Merger" Interests of PBOC's Directors and Executive Officers in the Merger. Information about First PacTrust's current directors and executive officers can be found in the documents listed in the section entitled "Where You Can Find More Information."

### **The Rights of PBOC Shareholders Will Change as a Result of the Merger (page [ ])**

The rights of PBOC shareholders will change as a result of the merger due to differences in First PacTrust's and PBOC's governing documents. The rights of PBOC shareholders are governed by California law and by PBOC's articles of incorporation and amended and restated bylaws, each as amended to date (which we refer to as PBOC's articles of incorporation and bylaws, respectively). Upon the completion of the merger, PBOC shareholders will become First PacTrust shareholders, and the rights of such shareholders will be governed by Maryland law and First PacTrust's articles of incorporation and amended and restated bylaws.

See "Comparison of Shareholders' Rights" for a description of the material differences in shareholder rights under each of the First PacTrust and PBOC governing documents.

### **Information About the Companies (page [ ])**

#### *First PacTrust Bancorp, Inc.*

First PacTrust is a bank holding company, or BHC, incorporated under Maryland law, primarily engaged in the business of planning, directing and coordinating the business activities of its wholly owned subsidiaries, Pacific Trust Bank, a federally chartered savings bank, referred to herein as PacTrust Bank, and Beach Business Bank, a California state-chartered bank, referred to herein as Beach. As a BHC, First PacTrust's activities are limited to banking and activities that are closely related to banking. At September 30, 2012, First PacTrust had consolidated total assets of approximately \$1,669.7 million, gross loans of \$1,325.7 million and total deposits of \$1,328.2 million.

On July 1, 2012, First PacTrust completed its acquisition of Beach, which we refer to as the Beach merger. In the Beach merger, First PacTrust acquired Beach in exchange for cash and warrants to purchase First PacTrust common stock. Upon completion of the acquisition, Beach became a wholly-owned subsidiary of First PacTrust.

On August 17, 2012, First PacTrust completed its acquisition of all of the outstanding shares of Gateway Bancorp, which we refer to as Gateway, the holding company for Gateway Business Bank, for an aggregate purchase price of \$15.5 million in cash, which we refer to as the Gateway acquisition. Immediately following the closing of the Gateway acquisition, Gateway Business Bank was merged with and into PacTrust Bank.

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The principal executive offices of First PacTrust are located at 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612, and its telephone number is (949) 236-5211. First PacTrust's website can be accessed at <http://www.firstpactrustbancorp.com>. Information contained in First PacTrust's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus. First PacTrust's common stock is traded on the Nasdaq Global Market under the symbol BANC.

Additional information about First PacTrust and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#).

*The Private Bank of California*

The Private Bank of California was chartered on October 24, 2005 as a commercial bank in the state of California by the DFI. PBOC provides a wide range of financial services, including credit and deposit products as well as cash management services, from its headquarters located in the Century City area of Los Angeles, California as well as full-service branches in Hollywood and Orange County and a loan production office in downtown Los Angeles. The Bank's target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses and non-profit organizations. At September 30, 2012, PBOC had assets of approximately \$685.1 million, gross loans of \$331.8 million and total deposits of \$580.5 million.

The DFI is the primary state regulator of PBOC and the FDIC is its primary federal regulator. Accordingly, PBOC is subject to the regulations of and periodic examinations by the DFI and FDIC, as primary regulators. In addition, because the deposits of PBOC are insured by the FDIC, PBOC is also subject to regulation and examination by the FDIC in its capacity as the bank's deposit insurance regulator. PBOC's principal executive offices are located at 10100 Santa Monica Boulevard, Suite 2500, Los Angeles, California 90067, and its telephone number is (310) 286-0710. PBOC's website can be accessed at <http://www.tpbc.com>. Information contained in PBOC's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF FIRST PACTRUST**

The following table sets forth certain consolidated financial and other data of First PacTrust at the dates and for the periods indicated. The information set forth below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes in First PacTrust's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on March 30, 2012, as amended on Form 10-K/A filed on April 17, 2012, and First PacTrust's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012, filed with the SEC on May 10, 2012, August 10, 2012 and November 13, 2012, respectively, and incorporated by reference herein.

	As of and for the Nine Months Ended September 30,			As of and for the Year Ended December 31,			
	2012	2011	2011	2010	2009	2008	2007
	(In thousands, except per share data)			(In thousands, except per share data)			
<b>Selected Financial Condition Data:</b>							
Total assets	\$ 1,669,732	\$ 928,977	\$ 999,041	\$ 861,621	\$ 893,921	\$ 876,520	\$ 774,720
Cash and cash equivalents	122,060	75,100	44,475	59,100	34,596	19,237	21,796
Total loans and leases, including loans held for sale	1,325,665	704,733	788,389	690,988	759,120	808,750	714,127
Loans and leases receivable, net	1,313,286	695,740	775,609	678,175	748,303	793,045	710,095
Other real estate owned (OREO), net	8,704	20,551	14,692	6,562	5,680	158	
Securities available-for-sale	122,271	64,926	101,616	64,790	52,304	17,565	4,367
Total deposits	1,328,221	711,609	786,334	646,308	658,432	598,177	574,151
Total borrowings	120,018	20,000	20,000	75,000	135,000	175,000	111,700
Total equity	191,739	191,488	184,495	136,009	97,485	98,723	84,075
Tangible common equity <sup>(1)</sup>	146,934	191,488	152,561	136,009	78,391	79,655	84,075
Nonperforming loans	16,181	12,301	19,254	38,830	46,172	44,219	14,132
Nonperforming assets	24,885	32,852	33,946	45,392	51,852	44,377	14,132
<b>Selected Operations Data:</b>							
Total interest and dividend income	37,425	26,354	35,177	40,944	46,666	45,896	45,711
Total interest expense	5,710	4,707	6,037	10,788	17,976	23,021	28,847
Net interest income	31,715	21,647	29,140	30,156	28,690	22,875	16,864
Provision for loan and lease losses	2,001	1,274	5,388	8,957	17,296	13,547	1,588
Net interest income after provision for loan and lease losses	29,714	20,373	23,752	21,199	11,394	9,328	15,276
Net gain/(loss) on sales of securities available for sale	(83)	2,887	2,888	3,274			
Bargain purchase gain	12,055						
Total noninterest income	20,654	4,414	4,913	4,879	1,813	2,202	2,391
Total noninterest expense	42,617	20,476	31,689	22,217	15,901	13,522	14,082
Income/(loss) before income taxes	7,751	4,311	(3,024)	3,861	(2,694)	(1,992)	3,585
Income tax expense/(benefit)	(1,430)	1,425	(296)	1,036	(1,695)	(1,463)	624
Net income/(loss)	9,181	2,886	(2,728)	2,825	(999)	(529)	2,961
Dividends paid on preferred stock and discount accretion	1,042	138	534	960	1,003	109	
Net income (loss) available to common shareholders	8,139	2,748	(3,262)	1,865	(2,002)	(638)	2,961
Basic earnings/(loss) per common share	0.70	0.27	(0.31)	0.37	(0.48)	(0.15)	0.71
Diluted earnings/(loss) per common share	0.70	0.27	(0.31)	0.37	(0.48)	(0.15)	0.70

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	As of and for the Nine Months Ended September 30,			As of and for the Year Ended December 31,			
	2012	2011	2011	2010	2009	2008	2007
<b>Selected Financial Ratios and Other Data:</b>							
<i>Performance Ratios:</i>							
Return on assets (ratio of net income/(loss) annualized to average total assets)	0.99%	0.44%	(0.31)%	0.32%	(0.10)%	(0.06)%	0.38%
Return on equity (ratio of net income/(loss) annualized to average equity)	6.20%	2.58%	(1.70)%	2.69%	(0.66)%	(0.62)%	3.54%
Return on tangible common equity annualized <sup>(2)</sup>	7.39%	1.91%	(2.14)%	1.37%	(2.55)%	(0.80)%	3.52%
Dividend payout ratio	45.57%	122.22%	n/a%	67.60%	n/a%	n/a%	104.20%
Net interest margin annualized <sup>(3)</sup>	3.69%	3.59%	3.53%	3.67%	3.38%	2.92%	2.27%
Efficiency ratio <sup>(4)</sup>	81.38%	78.57%	93.06%	63.41%	52.13%	53.92%	73.13%
Loans/deposits	99.81%	99.03%	100.26%	106.91%	115.29%	135.20%	124.38%
	As of and for the Nine Months Ended September 30,			As of and for the Year Ended December 31,			
	2012	2011	2011	2010	2009	2008	2007
<i>Asset Quality Ratios:</i>							
Non-performing assets to total assets	1.49%	3.54%	3.40%	5.27%	5.80%	5.06%	1.82%
Allowance for loan and lease losses to non-performing loans <sup>(5)</sup>	76.50%	73.11%	66.38%	37.70%	28.33%	41.35%	44.16%
Allowance for loan and lease losses to gross loans and leases <sup>(5)</sup>	0.93%	1.28%	1.62%	2.12%	1.72%	2.26%	0.87%
<i>Pacific Trust Bank Regulatory Capital Ratios</i>							
Leverage ratio	11.20%	14.33%	13.08%	11.14%	9.18%	8.64%	10.05%
Tier 1 RBC ratio	16.11%	19.68%	17.34%	14.92%	12.14%	11.50%	13.14%
Total RBC ratio	17.39%	20.73%	18.56%	16.17%	13.11%	12.18%	13.81%
<i>Beach Business Bank Regulatory Capital Ratios</i>							
Leverage ratio	10.76%	n/a	n/a	n/a	n/a	n/a	n/a
Tier 1 RBC ratio	14.15%	n/a	n/a	n/a	n/a	n/a	n/a
Total RBC ratio	14.37%	n/a	n/a	n/a	n/a	n/a	n/a
<i>Consolidated Capital Ratios:</i>							
Equity to total assets at end of period	11.48%	20.61%	18.47%	15.79%	10.91%	11.26%	10.85%
Average equity to average assets	15.95%	17.16%	17.90%	11.87%	15.72%	10.45%	10.71%
<i>Other Data:</i>							
Number of full-service offices	19	9	9	6	6	6	6

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(1) The following table presents a reconciliation of shareholders' equity to tangible common equity (dollars in thousands):

	As of September 30,			As of December 31,			
	2012	2011	2011	2010	2009	2008	2007
Shareholders' equity	\$ 191,739	\$ 191,488	\$ 184,495	\$ 136,009	\$ 97,485	\$ 98,723	\$ 84,075
Less: Preferred stock	31,925		31,934		19,094	19,068	
Less: Intangible assets	12,880						
Tangible common equity	\$ 146,934	\$ 191,488	\$ 152,561	\$ 136,009	\$ 78,391	\$ 79,655	\$ 84,075

- (2) Return on tangible common equity is calculated by dividing net income (loss) annualized available to common shareholders by tangible common equity. Management believes that this non-GAAP financial measure provides information on the earnings return of our common equity investors.
- (3) Net interest income divided by average interest-earnings assets.
- (4) Efficiency ratio represents noninterest expense as a percentage of net interest income plus noninterest income.
- (5) The allowance for loan and lease losses at September 30, 2012 and 2011 and December 31, 2011, 2010, 2009, 2008 and 2007 was \$12.4 million, \$9.0 million, \$12.8 million, \$14.6 million, \$13.1 million, \$18.3 million and \$6.2 million, respectively.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PBOC**

The following table summarizes financial results achieved by PBOC as of the dates and for the periods indicated and should be read in conjunction with PBOC's audited and unaudited interim financial statements which have been filed with the SEC and incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#). The selected financial and other data as of and for the years ended December 31, 2011 and 2010 are derived in part from the audited financial statements of PBOC. The selected financial and other data as of and for the nine months ended September 30, 2012 and 2011 are derived from the unaudited financial statements of PBOC. The results of operations for the nine months ended September 30, 2012 and 2011 are not necessarily indicative of the results of operations to be expected any subsequent period or for the entire year.

	\$ in Thousands, Except Per Share Data			
	As of and for the Nine Months Ended September 30,		As of and for the Year Ended December 31,	
	2012	2011	2011	2010
<b>Income statement:</b>				
Interest income	\$ 14,670	\$ 12,354	\$ 16,853	\$ 12,231
Interest expense	1,350	1,218	1,660	1,477
Net interest income	13,320	11,136	15,193	10,754
Provision for credit losses	796	788	1,550	1,165
Net interest income after provision for credit losses	12,524	10,348	13,643	9,589
Gain on the sale of securities, net	1,314	362	977	1,012
Other noninterest income	268	118	163	160
Total noninterest income	1,582	480	1,140	1,172
Total noninterest expense	11,898	9,270	12,820	10,655
Income before income taxes	2,208	1,558	1,963	106
Income taxes	640	1	1	1
Net income	1,568	1,557	1,962	105
Less preferred stock dividends and accretion	(75)	(415)	(441)	(352)
Net income (loss) available to common shareholders	\$ 1,493	\$ 1,142	\$ 1,521	\$ (247)
<b>Per share data:</b>				
<b>Earnings per share:</b>				
Basic	\$ 0.39	\$ 0.30	\$ 0.40	\$ (0.07)
Diluted	\$ 0.38	\$ 0.30	\$ 0.40	\$ (0.07)
<b>Weighted average common shares outstanding:</b>				
Basic	3,833,629	3,826,378	3,826,417	3,795,497
Diluted	3,946,989	3,826,378	3,826,417	3,795,497
<b>Balance sheet:</b>				
Total assets	\$ 685,073	\$ 566,930	\$ 596,700	\$ 435,550
Cash and cash equivalents	36,638	32,238	23,941	18,935
Interest-bearing time deposits in other financial institutions	735	883	883	786
Securities available-for-sale, at fair value	313,190	256,963	267,370	198,231
Loans, net	325,917	267,840	296,487	211,278
FHLB stock, at cost	3,453	2,718	2,718	1,653
Total deposits	580,491	483,364	496,756	382,700
Total borrowings	49,627	31,463	48,830	11,567
Total shareholders' equity	52,412	48,799	49,182	39,708



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	\$ in Thousands, Except Per Share Data			
	As of and for the Nine Months Ended September 30,		As of and for the Year Ended December 31,	
	2012	2011	2011	2010
<b>Performance ratios:</b>				
Return on average total assets <sup>(1)</sup>	0.32%	0.42%	0.38%	0.03%
Return on average shareholders' equity <sup>(2)</sup>	4.13%	4.89%	4.44%	0.25%
Dividend payout ratio on common stock	0.00%	0.00%	0.00%	0.00%
<b>Interest rate spread information<sup>(3)</sup>:</b>				
Average during the period	2.68%	2.94%	2.86%	2.90%
End-of-period	2.64%	2.54%	2.65%	2.68%
Net interest margin <sup>(4)</sup>	2.90%	3.19%	3.11%	3.16%
Noninterest expense as a percentage of average total assets	2.45%	2.50%	2.47%	2.94%
Efficiency ratio <sup>(5)</sup>	87.56%	82.37%	83.49%	97.63%
Net loans to total deposits at end-of-period	56.15%	55.41%	59.68%	55.21%
Average interest-earning assets to average interest-bearing liabilities	178.57%	170.72%	172.85%	160.97%
<b>Capital ratios:</b>				
Average total shareholders' equity to average total assets	7.83%	8.61%	8.52%	11.68%
Tier 1 capital to average total assets	7.33%	8.53%	8.01%	9.50%
Tier 1 capital to total risk-weighted assets	13.49%	15.43%	14.54%	17.50%
Total capital to total risk-weighted assets	14.74%	16.69%	15.80%	18.76%
<b>Asset quality ratios:</b>				
Nonperforming loans to total loans at end-of-period <sup>(6)</sup>	1.22%	0.00%	0.92%	0.63%
Net loan charge-offs to average total loans	0.06%	0.05%	0.04%	0.66%
Allowance for credit losses to nonperforming loans at end-of-period	145.87%	N.M.	191.23%	286.39%
Allowance for credit losses to total loans at end-of-period	1.79%	1.67%	1.76%	1.80%

**Notes:**

- (1) Net income as an annualized percentage of average total assets.
- (2) Net income as an annualized percentage of average total shareholders' equity.
- (3) Weighted average yield on interest-earning assets less the weighted average cost of interest-bearing liabilities for the indicated period.
- (4) Net interest income as an annualized percentage of average interest-earning assets.
- (5) Total noninterest expense as a percentage of the sum of net interest income and total noninterest income excluding net gains on security sales.
- (6) Nonperforming loans consist of nonaccrual loans, loans past due 90 days or more and restructured loans.



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**UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited pro forma combined condensed consolidated financial information has been prepared using the acquisition method of accounting, giving effect to our proposed acquisition of PBOC. The unaudited pro forma combined condensed consolidated statement of financial condition combines the historical financial information of First PacTrust and PBOC as of September 30, 2012, and assumes that the proposed PBOC acquisition was completed on that date. The unaudited pro forma combined condensed consolidated statement of operations for the nine month period ended September 30, 2012 and for the twelve month period ended December 31, 2011 gives effect to the completed acquisitions of Beach and Gateway, which closed on July 1, 2012 and August 17, 2012, respectively, and the proposed acquisition of PBOC, as if all such transactions had been completed on January 1, 2011.

The unaudited pro forma combined condensed consolidated financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined on the dates described above, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The unaudited pro forma combined condensed consolidated financial information also does not consider any potential impacts of current market conditions on revenues, expense efficiencies, asset dispositions and share repurchases, among other factors.

The value of First PacTrust shares of common stock issued in connection with the PBOC acquisition will be based on the closing price of our common stock on the date the merger is completed. For purposes of the unaudited pro forma combined condensed consolidated financial information, the fair value of our common stock was assumed to be \$12.00 per share. The actual value of the First PacTrust common stock at the completion of the merger could be different.

The unaudited pro forma combined condensed consolidated financial information includes estimated pro forma adjustments to record assets and liabilities of PBOC at their respective fair values and represents our pro forma estimates based on available information. The pro forma adjustments included herein are subject to change depending on changes in interest rates and the fair value of the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the PBOC acquisition is completed and after completion of thorough analyses to determine the fair value of PBOC's tangible and identifiable intangible assets and liabilities as of the date the PBOC acquisition is completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the unaudited pro forma combined condensed consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact our consolidated statement of operations due to adjustments in yields and interest rates and/or amortization or accretion of the adjusted assets or liabilities. Any changes to PBOC's shareholders' equity, including results of operations from September 30, 2012 through the date the PBOC acquisition is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

The unaudited pro forma combined condensed consolidated financial information includes estimated pro forma adjustments to record assets and liabilities of Beach and Gateway at their respective fair values as of the transaction closing dates of July 1, 2012 and August 17, 2012, respectively, and represents our pro forma estimates based on available information. The pro forma adjustments included herein are subject to change as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after completion of thorough analyses to determine the fair value of Beach's and Gateway's tangible and identifiable intangible assets and liabilities as of the respective transaction closing dates.

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First PacTrust anticipates that the completed acquisitions of Beach and Gateway, and the proposed acquisition of PBOC, will provide the combined company with financial benefits that include reduced operating expenses. The unaudited pro forma combined condensed consolidated financial information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not necessarily reflect the exact benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods.

The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the applicable historical consolidated financial statements and the related notes of First PacTrust, Beach, Gateway and PBOC. Historical consolidated financial statements of First PacTrust, Beach, Gateway and PBOC have been filed with the SEC and incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#).

The unaudited pro forma combined shareholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of First PacTrust common stock or the actual or future results of operations of First PacTrust for any period. Actual results may be materially different than the pro forma information presented.

**Table of Contents****First PacTrust Bancorp****Unaudited pro forma combined condensed consolidated statement of financial condition as of September 30, 2012**

(In thousands of dollars except per share data)

	BANC Historical	PBOC (PBOC) Historical	PBOC Merger Pro Forma Merger Adjustments	Pro Forma Combined BANC, Beach, Gateway & PBOC
<b>Assets:</b>				
Cash and due from banks	\$ 8,867	\$ 28,391	\$	\$ 37,258
Interest-bearing deposits, fed funds sold & time deposits	118,814	8,982	(24,888) <sup>(1)</sup>	102,908
Securities available for sale	122,271	313,190		435,461
Federal Home Loan Bank and other bank stock, at cost	8,842	3,453		12,295
Loans held for sale	110,291			110,291
Loans and leases receivable	1,215,374	331,845	(9,955) <sup>(2)</sup>	1,537,264
Less: Allowance for loan and lease losses	12,379	5,928	(5,928) <sup>(3)</sup>	12,379
Net loans and leases receivables	1,202,995	325,917	(4,027)	1,524,885
Servicing rights, net	2,170			2,170
Accrued interest receivable	5,312	2,045		7,357
Other real estate owned (OREO), net	8,704			8,704
Premises and equipment, net	15,492	1,424		16,916
Bank owned life insurance investment	18,649			18,649
Prepaid FDIC assessment	1,622			1,622
Deferred income tax	7,441			7,441
Goodwill	7,039		5,135 <sup>(4)</sup>	12,174
Other intangible assets, net	5,841		8,826 <sup>(5)</sup>	14,667
Other assets	25,382	1,671	(1,696) <sup>(7)</sup>	25,357
<b>Total assets</b>	<b>\$ 1,669,732</b>	<b>\$ 685,073</b>	<b>\$ (16,650)</b>	<b>\$ 2,338,155</b>
<b>Liabilities and Shareholders Equity:</b>				
Noninterest-bearing demand	\$ 88,616	\$ 272,863	\$	\$ 361,479
Interest-bearing demand	183,516	21,387		204,903
Money market accounts	253,557	210,070		463,627
Savings accounts	162,979			162,979
Certificates of deposits	639,553	76,171	762 <sup>(6)</sup>	716,486
<b>Total deposits</b>	<b>\$ 1,328,221</b>	<b>\$ 580,491</b>	<b>\$ 762</b>	<b>\$ 1,909,474</b>
Advances from Federal Home Loan Bank short term	61,000	49,627		110,627
Advances from Federal Home Loan Bank long term	25,000			25,000
Notes payable, net	34,018			34,018
Reserve for loss reimbursements on sold loans	2,665			2,665
Accrued expenses and other liabilities	27,089	2,543		29,632
<b>Total liabilities</b>	<b>\$ 1,477,993</b>	<b>\$ 632,661</b>	<b>\$ 762</b>	<b>\$ 2,111,416</b>
Shareholders equity	191,739	52,412	(17,412) <sup>(8)</sup>	226,739
<b>Total liabilities and shareholders equity</b>	<b>\$ 1,669,732</b>	<b>\$ 685,073</b>	<b>\$ (16,650)</b>	<b>\$ 2,338,155</b>

**The accompanying notes are an integral part of these pro forma financial statements.**

**Table of Contents****First PacTrust Bancorp, Beach Business Bank and Gateway Bancorp Mergers and Private Bank Pending Merger****Unaudited pro forma combined condensed consolidated statement of operations****For the nine month period ended September 30, 2012****(In thousands of dollars except share and per share data)**

	Beach Merger (1/1/12 thru 6/30/12)			Gateway Merger (1/1/12 thru 8/16/12)			Pro Forma Combined BANC, Beach and Gateway	PBOC Merger		Pro Forma Combined BANC, Beach, Gateway and PBOC
	BANC Historical	Beach Historical	Pro Forma Merger Adjustments	Pro Forma Combined BANC and Beach	Gateway Historical	Pro Forma Merger Adjustments		PBOC Historical	Pro Forma Merger Adjustments	
Interest income										
Loans, including fees	\$ 35,060	\$ 7,193	\$ 563 <sup>(9)</sup>	\$ 42,816	\$ 4,248	\$ (188) <sup>(9)</sup>	\$ 46,876	\$ 10,151	\$ 604 <sup>(9)</sup>	\$ 57,631
Securities and other	2,365	152	(5) <sup>(9)</sup>	2,512	84		2,596	4,519		7,115
Total interest income	37,425	7,345	558	45,328	4,332	(188)	49,472	14,670	604	64,746
Interest expense										
Deposits	4,285	869	(43) <sup>(9)</sup>	5,111	721	(78) <sup>(9)</sup>	5,754	1,272	(191) <sup>(9)</sup>	6,835
Borrowings	1,425			1,425			1,425	78		1,503
Total interest expense	5,710	869	(43)	6,536	721	(78)	7,179	1,350	(191)	8,338
Net interest income before provision for loan and lease losses	31,715	6,476	601	38,792	3,611	(110)	42,293	13,320	795	56,408
Provision for loan and lease losses	2,001	850	(10)	2,851		(10)	2,851	796	(10)	3,647
Net interest income after provision for loan and lease losses	29,714	5,626	601	35,941	3,611	(110)	39,442	12,524	795	52,761
Non-interest income										
Customer service charges, fee and other	1,282	315		1,597	174		1,771			1,771
Loan servicing, net	146	258	(34) <sup>(9)</sup>	370	(32)		338			338
Net gain on sale of loans and mortgage banking activities	5,750	715		6,465	28,492		34,957			34,957
Net gain (loss) on sale of securities	(83)			(83)			(83)	1,314		1,231
Other	13,559		(12,055) <sup>(11)</sup>	1,504	4		1,508	268		1,776
Total non-interest income	20,654	1,288	(12,089) <sup>(12)</sup>	9,853	28,638	(12)	38,491	1,582	(12)	40,073
Non-interest expense										
Salaries and benefits	23,657	3,452		27,109	17,978		45,087	7,652		52,739
Occupancy and equipment expense	4,793	539	78 <sup>(13)</sup>	5,410	1,997	(9) <sup>(13)</sup>	7,398	1,317		8,715
OREO expense	389	(5)		384			384			384
Amortization of core deposit and other intangibles	329		532 <sup>(14)</sup>	861		174 <sup>(14)</sup>	1,035		1,418 <sup>(14)</sup>	2,453
Merger and acquisition integration expenses			(15)			(15)			(15)	
Other	13,449	2,334	1	15,784	7,608		23,392	2,929		26,321

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Total non-interest expense	42,617	6,320	611 <sup>(16)</sup>	49,548	27,583	165 <sup>(16)</sup>	77,296	11,898	1,418 <sup>(16)</sup>	90,612
Income (loss) before income taxes	7,751	594	(12,099)	(3,754)	4,666	(275)	637	2,208	(623)	2,222
Income tax expense/(benefit)	(1,430)		(4,832) <sup>(17)</sup>	(6,262)	512	1,332 <sup>(17)</sup>	(4,418)	640	26 <sup>(17)</sup>	(3,752)
Net income (loss)	\$ 9,181	\$ 594	\$ (7,267)	\$ 2,508	\$ 4,154	\$ (1,607)	\$ 5,055	\$ 1,568	\$ (649)	\$ 5,974
Preferred stock dividends and discount accretion	1,042	193		1,235			1,235	75		1,310
Net income (loss) available to common shareholders	\$ 8,139	\$ 401	\$ (7,267)	\$ 1,273	\$ 4,154	\$ (1,607)	\$ 3,820	\$ 1,493	\$ (649)	\$ 4,664
Basic earnings (loss) per share	\$ 0.70	\$ 0.10		\$ 0.11	\$ 415.46		\$ 0.33	\$ 0.39		\$ 0.34
Diluted earnings (loss) per share	\$ 0.70	\$ 0.09		\$ 0.11	\$ 415.46		\$ 0.33	\$ 0.38		\$ 0.34
Weighted average common shares outstanding basic	11,677,532	4,084,978	(4,084,978) <sup>(18)</sup>	11,677,532	9,999	(9,999) <sup>(18)</sup>	11,677,532	3,833,629	(1,750,296) <sup>(18)</sup>	13,760,865
Weighted average common shares outstanding diluted	11,677,888	4,249,402	(4,249,402) <sup>(18)</sup>	11,677,888	9,999	(9,999) <sup>(18)</sup>	11,677,888	3,946,989	(1,863,656) <sup>(18)</sup>	13,761,221

The accompanying notes are an integral part of these pro forma financial statements.

**Table of Contents****First PacTrust Bancorp, Beach Business Bank and Gateway Bancorp Mergers and Private Bank Pending Merger****Unaudited pro forma combined condensed consolidated statement of operations****For the twelve month period ended December 31, 2011****(In thousands of dollars except share and per share data)**

	Beach Merger			Gateway Merger			PBOC Merger		Pro Forma Combined BANC, Beach, Gateway and PBOC	
	BANC Historical	Beach Historical	Pro Forma Merger Adjustments	Pro Forma Combined BANC and Beach	Gateway Historical	Pro Forma Merger Adjustments	Pro Forma Combined BANC, Beach and Gateway	PBOC Historical	Pro Forma Merger Adjustments	
Interest income										
Loans, including fees	\$ 30,997	\$ 14,953	\$ 1,126 <sup>(9)</sup>	\$ 47,076	\$ 6,565	\$ (300) <sup>(9)</sup>	\$ 53,341	\$ 11,412	\$ 805 <sup>(9)</sup>	\$ 65,558
Securities and other	4,180	342	(10) <sup>(9)</sup>	4,512	147	(1) <sup>(1)</sup>	4,658	5,441		10,099
Total interest income	35,177	15,295	1,116	51,588	6,712	(301)	57,999	16,853	805	75,657
Interest expense										
Deposits	4,989	2,366	(87) <sup>(9)</sup>	7,268	1,634	(125) <sup>(9)</sup>	8,777	1,580	(254) <sup>(9)</sup>	10,103
Borrowings	1,048			1,048			1,048	80		1,128
Total interest expense	6,037	2,366	(87)	8,316	1,634	(125)	9,825	1,660	(254)	11,231
Net interest income before provision for loan and lease losses	29,140	12,929	1,203	43,272	5,078	(176)	48,174	15,193	1,059	64,426
Provision for loan and lease losses	5,388	1,494	(10) <sup>(10)</sup>	6,882	(820)	(10)	6,062	1,550	(10)	7,612
Net interest income after provision for loan and lease losses	23,752	11,435	1,203	36,390	5,898	(176)	42,112	13,643	1,059	56,814
Non-interest income										
Customer service charges, fee and other	1,473	563		2,036	164		2,200			2,200
Loan servicing, net		375	(68) <sup>(9)</sup>	307	(51)		256			256
Net gain on sale of loans and mortgage banking activities		1,012		1,012	27,463		28,475			28,475
Net gain on sale of securities	2,888			2,888			2,888	977		3,865
Other	552			552	25		577	163		740
Total non-interest income	4,913	1,950	(68) <sup>(12)</sup>	6,795	27,601	(12)	34,396	1,140	(12)	35,536
Non-interest expense										
Salaries and benefits	13,914	6,969		20,883	22,961		43,844	8,266		52,110
Occupancy and equipment expense	2,848	1,090	155 <sup>(13)</sup>	4,093	3,098	(14) <sup>(13)</sup>	7,177	1,409		8,586
OREO expense	6,779	9		6,788	1,009		7,797			7,797
Amortization of core deposit and other intangibles			1,302 <sup>(14)</sup>	1,302	525	331 <sup>(14)</sup>	2,158		2,207 <sup>(14)</sup>	4,365
Merger and acquisition integration expenses			(15) <sup>(15)</sup>			(15)			(15)	
Other	8,148	3,285	3	11,436	10,866		22,302	3,145		25,447

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Total non-interest expense	31,689	11,353	1,460 <sup>(16)</sup>	44,502	38,459	317 <sup>(16)</sup>	83,278	12,820	2,207 <sup>(16)</sup>	98,305
Income (loss) before income taxes	(3,024)	2,032	(325)	(1,317)	(4,960)	(493)	(6,770)	1,963	(1,148)	(5,955)
Income tax expense/(benefit)	(296)		717 <sup>(17)</sup>	421	3,296	(5,586) <sup>(17)</sup>	(1,869)	1	341 <sup>(17)</sup>	(1,527)
Net income (loss)	\$ (2,728)	\$ 2,032	\$ (1,042)	\$ (1,738)	\$ (8,256)	\$ 5,093	\$ (4,901)	\$ 1,962	\$ (1,489)	\$ (4,428)
Preferred stock dividends and discount accretion	534	310		844			844	441		1,285
Net income (loss) available to common shareholders	\$ (3,262)	\$ 1,722	\$ (1,042)	\$ (2,582)	\$ (8,256)	\$ 5,093	\$ (5,745)	\$ 1,521	\$ (1,489)	\$ (5,713)
Basic earnings (loss) per share	\$ (0.31)	\$ 0.43		\$ (0.24)	\$ (825.68)		\$ (0.54)	\$ 0.40		\$ (0.45)
Diluted earnings (loss) per share	\$ (0.31)	\$ 0.42		\$ (0.24)	\$ (825.68)		\$ (0.54)	\$ 0.40		\$ (0.45)
Weighted average common shares outstanding basic	10,646,511	4,045,157	(4,045,157) <sup>(18)</sup>	10,646,511	9,999	(9,999) <sup>(18)</sup>	10,646,511	3,826,417	(1,743,084) <sup>(18)</sup>	12,729,844
Weighted average common shares outstanding diluted	10,646,511	4,090,708	(4,090,708) <sup>(18)</sup>	10,646,511	9,999	(9,999) <sup>(18)</sup>	10,646,511	3,826,417	(1,743,084) <sup>(18)</sup>	12,729,844

The accompanying notes are an integral part of these pro forma financial statements.



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### **Note A Basis of Presentation**

The unaudited pro forma combined condensed consolidated financial information and explanatory notes show the impact on the historical financial condition and results of operations of First PacTrust resulting from the completed Beach and Gateway acquisitions, which closed July 1, 2012 and August 17, 2012, respectively, and the pending PBOC acquisition under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Beach and Gateway were, and the assets and liabilities of PBOC will be, recorded by First PacTrust at their respective fair values as of the date each transaction was or is completed. The unaudited pro forma combined condensed consolidated statement of financial condition combines the historical financial information of First PacTrust and PBOC as of September 30, 2012, and assumes that the PBOC merger was completed on that date. The unaudited pro forma combined condensed consolidated statements of operations for the nine month period ended September 30, 2012 and for the twelve month period ended December 31, 2011 give effect to the completed Beach merger, the completed Gateway acquisition and the pending PBOC merger as if all three transactions had been completed on January 1, 2011.

Since the transactions are recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit quality, and no allowance for credit losses is carried over to First PacTrust's balance sheet. In addition, certain nonrecurring costs associated with the completed Beach merger, the completed Gateway acquisition and the pending PBOC merger such as potential severance, professional fees, legal fees and conversion-related expenditures are expensed as incurred and not reflected in the unaudited pro forma combined condensed consolidated statements of operations.

While the recording of the acquired loans at their fair value will impact the prospective determination of the provision for loan and lease losses and the allowance for loan and lease losses, for purposes of the unaudited pro forma combined condensed consolidated statement of operations for the nine month period ended September 30, 2012 and for the year ended December 31, 2011, First PacTrust assumed no adjustments to the historical amount of Gateway's, Beach's or PBOC's provision for loan losses. If such adjustments were estimated, there could be a reduction, which could be significant, to the historical amounts of Beach's, Gateway's or PBOC's provision for loan losses presented.

The historical financial results of Beach for the six month period ended June 30, 2012 and for the year ended December 31, 2011 included professional fees of \$0.7 million and \$0.4 million, respectively, which were associated with corporate finance activities, including the proposed acquisition by First PacTrust. The historical results of Gateway for the seven and one half month period ended August 16, 2012 and for the year ended December 31, 2011 included professional fees of \$0.4 million and \$0.4 million, respectively, which were associated with corporate finance activities, including the proposed acquisition by First PacTrust. The historical results of PBOC for the nine month period ended September 30, 2012 and for the year ended December 31, 2011 included professional fees of \$0.6 million and \$0.6 million, respectively, which were associated with corporate activities, including the pending acquisition by First PacTrust.

### **Note B Accounting Policies and Financial Statement Classifications**

The accounting policies of PBOC are in the process of being reviewed in detail by First PacTrust. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

### **Note C Merger and Acquisition Integration Costs**

In connection with the pending PBOC merger and the recently completed Beach merger, the plan to integrate the operations of PBOC, Beach and PacTrust is still being developed. In connection with the Gateway acquisition, the retail branch operations, commercial lending activities and mortgage banking operations of Gateway's subsidiary bank, Gateway Business Bank, have been integrated into PacTrust. The specific details of the plan to integrate the operations of PacTrust, PBOC and Beach will continue to be refined over the next several months,

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and will include assessing personnel, benefit plans, premises, equipment and service contracts to determine where First PacTrust may take advantage of redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers, selling or otherwise disposing of certain premises, furniture and equipment, and re-assessing a possible deferred tax asset valuation allowance from a potential change in control for tax purposes. First PacTrust also expects to incur merger-related costs including professional fees, legal fees, system conversion costs and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and the timing of these integration actions. No such costs were considered in the accompanying unaudited pro forma combined condensed consolidated statements of operations.

**Note D Estimated Annual Cost Savings**

First PacTrust expects to realize cost savings from the completed Beach merger, the completed Gateway acquisition and the pending PBOC merger. These cost savings are not reflected in the unaudited pro forma combined condensed consolidated financial information and there can be no assurance they will be achieved in the amount, manner or timing currently contemplated.

**Note E Pro Forma Adjustments**

The following pro forma adjustments have been reflected in the unaudited pro forma combined condensed consolidated financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

- (1) Payment for cash consideration of \$24.888 million to PBOC shareholders is funded by the liquidation of interest bearing deposits.
- (2) \$9.955 million adjustment made to reflect the preliminary estimated market value of PBOC's loans, which includes an estimate of lifetime credit losses; loans include net deferred costs and unearned discounts.
- (3) \$5.928 million purchase accounting reversal of PBOC's allowance for loan losses, which cannot be carried over.

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(4) Represents the recognition of goodwill resulting from the difference between the net fair value of the acquired assets and assumed liabilities and the value of the consideration paid to PBOC shareholders. The excess of the value of the consideration paid over the fair value of net assets acquired was recorded as goodwill and can be summarized as follows (in thousands of dollars, except share and per share data):

**Calculation of Pro Forma Goodwill for Private Bank (PBOC)**

<b>(In thousands of dollars except share data)</b>	<b>September 30, 2012</b>
BANC shares to be issued to PBOC shareholders	2,083,333
Value of stock consideration paid to PBOC shareholders, based on BANC price at \$12.00 per share	\$ 25,000
Cash payment to PBOC shareholders	24,888
Total pro forma consideration paid	\$ 49,888
Carrying value of PBOC net assets at September 30, 2012	\$ 52,412
less: Preferred SBLF Stock	10,000
Carrying value of PBOC net assets attributable to common shareholders at September 30, 2012	\$ 42,412
Fair value adjustments (debit / (credit)):	
Loans, net	(4,027)
Core deposit intangible	8,826
Certificates of deposit	(762)
Deferred tax effect of adjustments (42%)	(1,696)
Total fair value adjustments	2,341
Fair value of net assets acquired on September 30, 2012	\$ 44,753
Excess of consideration paid over fair value of net assets acquired (Goodwill)	\$ 5,135

(5) Includes \$8.826 million acquisition accounting adjustment in recognition of the fair value of core deposit intangibles asset, which is 1.75% of core deposits liabilities, excluding certificates of deposits.

(6) \$762 thousand adjustment made to reflect the estimated market value premium of PBOC's certificates of deposits of 1.0%.

(7) Includes a \$1.696 million net deferred tax liability based on 42% of the fair value adjustments related to the acquired assets and assumed liabilities. Adjustment is shown as a reduction of the consolidated net deferred tax asset.

(8) Purchase accounting reversal of PBOC's \$42.412 million common equity accounts, net of additional \$10.0 million of preferred stock. Adjustment made to include the value of the shares issued to PBOC shareholders totaling \$25.0 million.

(9) The amortization/accretion of fair value adjustments related to loans, investment securities, deposits and servicing rights over the estimated lives of the related asset or liability.

(10) Provision for loan losses does not reflect any potential impact of the fair value adjustments related to loans which includes an estimate of lifetime credit losses.

(11) Reversal of \$12.055 million bargain purchase gain from Gateway acquisition included in BANC historical net income for the nine month period ended September 30, 2012.

(12) Noninterest income does not reflect revenue enhancement opportunities.

(13) Amortization/accretion of fair value adjustments related to premises and equipment and operating leases.

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(14) Amortization of core deposit intangibles over five years for Gateway, six years for Beach and an estimate of seven years for PBOC on an accelerated basis, and amortization of trade name intangibles over 20 years for Gateway and one year for Beach on an accelerated basis.

(15) Actual merger and acquisition integration expenses of \$1.0 million for Gateway and \$2.1 million for Beach already incurred and an amount yet to be determined for the PBOC merger, primarily for severance, professional, legal and conversion related expenditures are nonrecurring expenses. Future additional transaction/integration costs will be expensed as incurred by First PacTrust as required by generally accepted accounting principles.

(16) Noninterest expenses do not reflect anticipated cost savings.

(17) Reflects the tax impact of the pro forma merger adjustments at First PacTrust's marginal income tax rate of 42%.

(18) Adjustment reflects the elimination of Beach, Gateway and PBOC's weighted average shares outstanding and to reflect the issuance of 2,083,333 shares in the acquisition of PBOC.

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**COMPARATIVE PER SHARE DATA**

**(Unaudited)**

The table below summarizes selected per share information about First PacTrust, Beach, Gateway and PBOC. First PacTrust share information is presented on a pro forma basis to reflect the acquisition of Beach and Gateway, and the proposed merger with PBOC. The data in the table should be read together with the financial information and the financial statements of First PacTrust, Beach, Gateway and PBOC incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#). The pro forma per share data or combined results of operations per share data is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period. No pro forma adjustments have been included herein which reflect potential effects of merger integration expenses, cost savings or operational synergies which may be obtained by combining the operations of First PacTrust and PBOC, or the costs of combining the companies and their operations. It is further assumed that First PacTrust will pay a cash dividend after the completion of the merger at the annual rate of \$0.48 per share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that First PacTrust will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

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	FPTB Historical	Beach Historical	Pro Forma Combined FPTB and Beach	Gateway Historical	Pro Forma Combined FPTB, Beach and Gateway	PBOC Historical	Combined Pro Forma Amounts for FPTB, Beach, Gateway, and PBOC		Pro Forma PBOC Shares Equivalent <sup>(1)</sup>
<b>Book value common per share:</b>									
September 30, 2012	\$ 13.57	*	*	*	\$ 13.57	\$ 10.95	\$ 13.34	\$ 7.25	
December 31, 2011	\$ 13.11	\$ 7.89	\$ 13.20	\$ 2,169.99	\$ 13.88	\$ 10.25	\$ 13.59	\$ 7.39	
<b>Basic Common Shares outstanding:</b>									
September 30, 2012	11,677,532	*	*	*	11,677,532	3,833,629	13,760,865		
December 31, 2011	10,646,511	4,045,157	10,646,511	9,999	10,646,511	3,826,417	12,729,844		
<b>Diluted Common Shares outstanding:</b>									
September 30, 2012	11,677,888	*	*	*	11,677,888	3,946,989	13,761,221		
December 31, 2011	10,646,511	4,090,708	10,646,511	9,999	10,646,511	3,826,417	12,729,844		
<b>Cash dividends declared per common share:</b>									
Nine months ended September 30, 2012	\$ 0.36	\$	\$ 0.36	\$	\$ 0.36	\$	\$ 0.36	\$ 0.20	
Year ended December 31, 2011	\$ 0.45	\$	\$ 0.45	\$	\$ 0.45	\$	\$ 0.45	\$ 0.25	
<b>Basic earnings (loss) per common share:</b>									
Nine months ended September 30, 2012	\$ 0.70	\$ 0.10	\$ 0.11	\$ 415.46	\$ 0.33	\$ 0.39	\$ 0.34	\$ 0.18	
Year ended December 31, 2011	\$ (0.31)	\$ 0.43	\$ (0.24)	\$ (825.68)	\$ (0.54)	\$ 0.40	\$ (0.45)	\$ (0.25)	
<b>Diluted earnings (loss) per common share:</b>									
Nine months ended September 30, 2012	\$ 0.70	\$ 0.09	\$ 0.11	\$ 415.46	\$ 0.33	\$ 0.38	\$ 0.34	\$ 0.18	
Year ended December 31, 2011	\$ (0.31)	\$ 0.42	\$ (0.24)	\$ (825.68)	\$ (0.54)	\$ 0.40	\$ (0.45)	\$ (0.25)	

\* Historical information for Beach and Gateway is not presented for September 30, 2012 as it is included in First PacTrust's historical September 30, 2012 information.

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(1) Other than with respect to Diluted earning (loss) per common share, calculated by multiplying the amounts in the combined pro forma amounts for BANC, Beach, Gateway and PBOC by a .5434 exchange ratio, which represents the number of shares of First PacTrust common stock a PBOC shareholder would receive for each share of PBOC common stock owned, assuming 3,833,629 shares of PBOC common stock outstanding immediately prior to the closing of the merger. With respect to Diluted earnings (loss) per common share, calculated by multiplying such amounts by a .5278 exchange ratio, which represents the number of shares of First PacTrust common stock a PBOC shareholder would receive for each share of PBOC common stock owned, assuming 3,946,989 fully diluted shares of PBOC common stock outstanding immediately prior to the closing of the merger. In the merger, the actual number of shares of First PacTrust common stock a PBOC shareholder will receive for each share of PBOC common stock owned as of immediately prior to the merger will differ from these assumed amounts, as all of the then issued and outstanding shares of PBOC will be converted into, in aggregate, (1) 2,083,333 shares of First PacTrust common stock and, (2) \$24,887,513 in cash, in each case subject to certain adjustments described elsewhere in this proxy statement/prospectus.

The following table shows trading information for First PacTrust and PBOC common shares as of market close on August 20, 2012 and [ ], 2013. August 20, 2012 was the last trading date before the parties executed the merger agreement. [ ] is a recent date before this proxy statement/prospectus was finalized.

Date	First PacTrust	PBOC
August 20, 2012	\$11.97	\$10.20
[ ], 2013		



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and prospects of First PacTrust, PBOC and the combined company following the proposed transaction and statements for the period following the completion of the merger. Words such as anticipates, believes, feels, expects, estimates, seeks, plans, intends, outlook, forecast, position, target, mission, assume, achievable, potential, strategy, goal, aspiration, maintain, trend, objective and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, might, can, may or similar expressions, as they relate to First PacTrust, PBOC, the proposed transaction or the combined company following the transaction often identify forward-looking statements.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction; the ability to obtain any required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future or past operations, products or services, including the execution of integration plans; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus reflect the view of management as of the date of this proxy statement/prospectus with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Factors that could cause or contribute to such differences include, but are not limited to: (1) matters set forth under the section entitled Risk Factors ; (2) expected benefits of the merger may not materialize in the timeframe expected or at all, or may be more costly to achieve; (3) the merger may not be timely completed, if at all; (4) prior to the completion of the merger or thereafter, First PacTrust's and PBOC's respective businesses may not perform as expected due to transaction-related uncertainty or other factors; (5) the parties may be unable to successfully implement integration strategies; (6) required regulatory, shareholder or other approvals might not be obtained or other closing conditions might not be satisfied in a timely manner or at all; (7) First PacTrust and PBOC may experience reputational risks and the companies' customers may react negatively to the transaction; (8) management may have their time diverted from ordinary activities due to merger-related issues; and (9) those factors referenced in First PacTrust's filings with the SEC.

For any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, First PacTrust and PBOC claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. First PacTrust and PBOC do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to First PacTrust, PBOC or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

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**RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section **Cautionary Statement Regarding Forward-Looking Statements**, you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. In addition, you should read and consider the risks associated with each of the businesses of PBOC and First PacTrust because these risks will relate to the combined company. Descriptions of some of these risks can be found in the Annual Report on Form 10-K filed by First PacTrust for the year ended December 31, 2011 (as amended on Form 10-K/A filed on April 17, 2012), as updated by other reports filed with the SEC, which is filed with the SEC and incorporated by reference into this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information**.*

***Because the market price of First PacTrust common stock will fluctuate, PBOC shareholders cannot be certain of the market value of the merger consideration they will receive.***

If the merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments. The exact number of First PacTrust shares and amount of cash you may be entitled to receive in the merger will depend on the number of PBOC common shares outstanding on the date the merger is actually completed. Additionally, the market value of the merger consideration on the date the merger is completed may differ from the market value of the merger consideration on the date First PacTrust announced the merger, on the date that this proxy statement/prospectus was mailed to PBOC shareholders, and on the date of the special meeting of the PBOC shareholders. Any change in the market price of First PacTrust common stock prior to the completion of the merger will affect the market value of the First PacTrust common stock that PBOC shareholders will receive upon completion of the merger. Stock price changes may result from a variety of factors that are beyond the control of First PacTrust and PBOC, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the PBOC special meeting you will not know the precise market value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of First PacTrust common stock and for shares of PBOC common stock.

***The market price of First PacTrust common stock after the merger may be affected by factors different from those affecting the shares of PBOC or First PacTrust currently.***

Upon completion of the merger, holders of PBOC common stock will become holders of First PacTrust common stock. First PacTrust's business differs from that of PBOC, and, accordingly, the results of operations of the combined company and the market price of First PacTrust common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of First PacTrust and PBOC.

***Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated.***

Before the merger may be completed, First PacTrust and PBOC must obtain various approvals or consents, including from the Federal Reserve Board, FDIC and the DFI. In deciding whether to grant these approvals, the relevant governmental authorities will make a determination of whether, among other things, the merger is in the public interest. These regulatory entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although the parties do not currently expect that any material conditions or changes would be imposed, there can be no assurance that they will not be. Such conditions or changes could

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have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have a material adverse effect on the combined company following the merger. In addition, First PacTrust or PBOC may elect not to consummate the merger if any required regulatory approval has been denied by the relevant regulatory authority and such denial has become final and nonappealable, or if a regulatory authority has issued a final, nonappealable injunction permanently enjoining or otherwise prohibiting the completion of the merger. See *The Merger Regulatory Approvals Required for the Merger*.

***Combining the two companies may be more difficult, costly or time consuming than expected.***

First PacTrust and PBOC have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated cost savings, will depend, in part, on our ability to successfully combine the businesses of First PacTrust and PBOC. To realize these anticipated benefits, after the completion of the merger, First PacTrust expects to integrate PBOC's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect First PacTrust's ability to successfully conduct its business in the markets in which PBOC now operates, which could have an adverse effect on First PacTrust's financial results and the value of its common stock. If First PacTrust experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause PBOC to lose customers or cause customers to remove their accounts from PBOC and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of PBOC and First PacTrust during this transition period and for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

***The fairness opinion obtained by PBOC from its financial advisor will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.***

PBOC has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from Milestone Advisors, LLC, PBOC's financial advisor. Changes in the operations and prospects of PBOC or First PacTrust, general market and economic conditions and other factors that may be beyond the control of PBOC and First PacTrust, and on which the fairness opinion was based, may alter the value of PBOC or First PacTrust or the prices of shares of PBOC common stock or First PacTrust common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because PBOC does not anticipate asking its financial advisor to update its opinion, the August 21, 2012 opinion does not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. The opinion is attached as Annex B to this proxy statement/prospectus. For a description of the opinion that PBOC received from its financial advisor, see *The Merger Opinion of Milestone Advisors, LLC*. For a description of the other factors considered by PBOC's board of directors in determining to approve the merger, see *The Merger PBOC's Reasons for the Merger; Recommendation of PBOC's Board of Directors*.

***Some of the directors and executive officers of PBOC may have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger agreement.***

The interests of some of the directors and executive officers of PBOC may be different from those of PBOC common shareholders, and directors and officers of PBOC may be participants in arrangements that are different from, or in addition to, those of PBOC common shareholders. These interests are described in more detail in the section entitled *The Merger Interests of PBOC's Directors and Executive Officers in the Merger*.

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### ***Termination of the merger agreement could negatively impact PBOC.***

If the merger agreement is terminated, there may be various consequences. For example, PBOC's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger, or the market price of PBOC common stock could decline to the extent that the current market price reflects a market assumption that the merger will be completed. If the merger agreement is terminated and PBOC's board of directors seeks another merger or business combination, PBOC shareholders cannot be certain that PBOC will be able to find a party willing to pay the equivalent or greater consideration than that which First PacTrust has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by PBOC's board of directors, PBOC may be required to reimburse First PacTrust's expenses related to the merger and pay First PacTrust a termination fee of \$2 million.

### ***PBOC will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on PBOC. These uncertainties may impair PBOC's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with PBOC to seek to change existing business relationships with PBOC. Retention of certain employees by PBOC may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with PBOC. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with PBOC, PBOC's business following the merger could be harmed. In addition, subject to certain exceptions, PBOC has agreed to operate its business in the ordinary course prior to closing. See "The Merger Agreement - Covenants and Agreements" for a description of the restrictive covenants applicable to PBOC.

### ***The unaudited pro forma financial data for First PacTrust and PBOC included in this proxy statement/prospectus are preliminary, and First PacTrust's actual financial position and operations after the completion of the merger may differ materially from the unaudited pro forma financial data included in this proxy statement/prospectus.***

The unaudited pro forma financial data for both First PacTrust and PBOC in this proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what First PacTrust's actual financial position or operations would have been had the merger, the Beach merger and the Gateway acquisition been completed on the dates indicated. For more information, see "Unaudited Pro Forma Combined Condensed Consolidated Financial Information."

### ***The completion of the merger may trigger change in control provisions in certain agreements to which PBOC is a party.***

The completion of the merger may trigger change in control provisions in certain agreements to which PBOC is a party. If PBOC or First PacTrust are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements (including terminating the agreements or seeking monetary penalties). Even if PBOC or First PacTrust was able to obtain waivers, the counterparties may demand a fee for such waiver or seek to renegotiate the agreements on materially less favorable terms than those currently in place.

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**THE PBOC SPECIAL MEETING**

This section contains information for PBOC shareholders about the special meeting that PBOC has called to allow its shareholders to consider and approve the merger agreement. PBOC is mailing this proxy statement/prospectus to you, as a PBOC shareholder, on or about [ ]. Together with this proxy statement/prospectus, PBOC is also sending to you a notice of the special meeting of PBOC shareholders and a form of proxy card that PBOC's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

This proxy statement/prospectus is also being furnished by First PacTrust to PBOC shareholders as a prospectus in connection with the issuance of shares of First PacTrust common stock upon completion of the merger.

**Date, Time and Place of Meeting**

The special meeting will be held at [ ] on [ ], at 9:30 a.m. local time.

**Matters to Be Considered**

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

a proposal to approve the merger agreement and the transactions it contemplates; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

**Recommendation of PBOC's Board of Directors**

PBOC's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of PBOC and its shareholders and has unanimously approved the merger and the merger agreement. PBOC's board of directors unanimously recommends that PBOC shareholders vote FOR approval of the merger agreement and FOR the adjournment proposal. See The Merger PBOC's Reasons for the Merger; Recommendation of PBOC's Board of Directors for a more detailed discussion of PBOC's board of directors' recommendation.

**Record Date and Quorum**

PBOC's board of directors has fixed the close of business on [ ], 2013 as the record date for determining the holders of PBOC common stock entitled to receive notice of and to vote at the PBOC special meeting.

As of the record date, there were [ ] shares of PBOC common stock outstanding and entitled to vote at the PBOC special meeting held by approximately [ ] holders of record. Each share of PBOC common stock entitles the holder to one vote at the PBOC special meeting on each proposal to be considered at the PBOC special meeting.

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of PBOC common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of PBOC common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the PBOC special meeting. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

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### **Vote Required; Treatment of Abstentions and Failure to Vote**

Approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of PBOC common stock entitled to vote at the special meeting. You are entitled to one vote for each share of PBOC common stock you held as of the record date. Because approval is based on the affirmative vote of a majority of shares outstanding, your failure to vote, failure to instruct your bank or broker with respect to the proposal to approve the merger agreement or an abstention will have the same effect as a vote against approval of the merger agreement.

Approval of the adjournment proposal requires the affirmative vote of a majority of shares of PBOC common stock entitled to vote on, and represented in person or by proxy at the special meeting, even if less than a quorum. Because approval of the adjournment proposal is based on the affirmative vote of a majority of shares voting or expressly abstaining at the special meeting, abstentions will have the same effect as a vote against such proposal. The failure to vote or failure to instruct your bank or broker how to vote with respect to the adjournment proposal, however, will have no effect on such proposal.

### **Shares Held by Officers and Directors**

As of the record date, directors and executive officers of PBOC and their affiliates beneficially owned and were entitled to vote approximately [ ] shares of PBOC common stock, representing approximately [ ]% of the shares of PBOC common stock outstanding on that date, and held options to purchase [ ] shares of PBOC common stock and [ ] shares underlying restricted stock awards. Each of the directors and executive officers of PBOC have entered into voting agreements with First PacTrust, pursuant to which they have agreed, solely in their capacity as PBOC shareholders, to vote all of their shares of PBOC common stock in favor of the proposals to be presented at the special meeting. As of the record date, the directors and executive officers that are party to the voting agreements beneficially owned and were entitled to vote an aggregate of approximately [ ] shares of PBOC common stock, representing approximately [ ]% of the shares of PBOC common stock outstanding on that date. As of the record date, First PacTrust and its subsidiaries held no shares of PBOC common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [ ] shares of PBOC common stock. See *The Merger* *Interests of PBOC's Directors and Executive Officers in the Merger*.

### **Voting of Proxies; Incomplete Proxies**

Each copy of this proxy statement/prospectus mailed to holders of PBOC common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card, regardless of whether you plan to attend the special meeting.

If you hold your stock in *street name* through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

PBOC shareholders should not send PBOC stock certificates with their proxy cards. After the merger is completed, holders of PBOC common stock will be mailed a transmittal form with instructions on how to exchange their PBOC stock certificates for the merger consideration.

All shares represented by valid proxies (including those given by telephone or the Internet) that PBOC receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted *FOR* approval of the merger agreement and *FOR* approval of the adjournment proposal. No matters other than the matters described in this proxy statement/prospectus are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

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### **Shares Held in Street Name ; Broker Non-Votes**

Under stock exchange rules, banks, brokers and other nominees who hold shares of PBOC common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be non-routine, such as approval of the merger agreement proposal, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the PBOC special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and for which the broker does not have discretionary voting power with respect to such proposal. It is expected that brokers, banks and other nominees will not have discretionary authority to vote on either proposal and, as a result, PBOC anticipates that there will not be any broker non-votes cast in connection with either proposal. Therefore, if your broker, bank or other nominee holds your shares of PBOC common stock in street name, your broker, bank or other nominee will vote your shares of PBOC common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus.

### **Revocability of Proxies and Changes to a PBOC Shareholder's Vote**

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to PBOC's corporate secretary, (3) voting again by telephone or the Internet or (4) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying PBOC's corporate secretary) of a PBOC shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

The Private Bank of California

10100 Santa Monica Boulevard, Suite 2500

Los Angeles, California 90067

Attention: Secretary

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

### **Solicitation of Proxies**

PBOC's proxy solicitor is soliciting your proxy in conjunction with the merger. PBOC will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, PBOC will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of PBOC common stock and secure their voting instructions. PBOC will reimburse the record holders for their reasonable expenses in taking those actions. PBOC has also made arrangements with [ ] to assist it in soliciting proxies and has agreed to pay them \$[ ] plus reasonable expenses for these services. If necessary, PBOC may use several of its regular employees, who will not be specially compensated, to solicit proxies from the PBOC shareholders, either personally or by telephone, facsimile, letter or other electronic means.

### **Attending the Meeting**

All holders of PBOC common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting.

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Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. PBOC reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without PBOC's express written consent.

**Assistance**

If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of PBOC common stock, please contact [ ], PBOC's proxy solicitor:

[ ]

[ ]

[ ]

[ ]

Banks and brokerage firms please call: [ ]



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**INFORMATION ABOUT FIRST PACTRUST**

First PacTrust is a bank holding company incorporated under Maryland law, primarily engaged in the business of planning, directing and coordinating the business activities of its wholly owned subsidiaries, PacTrust Bank and Beach. As a BHC, First PacTrust's activities are limited to banking and activities that are closely related to banking. At September 30, 2012, First PacTrust had consolidated total assets of approximately \$1,669.7 million, gross loans of \$1,325.7 million and total deposits of \$1,328.2 million.

Beach is a community bank engaged in the general commercial banking business. Beach offers a variety of deposit and loan products to individuals and small to mid-sized businesses. Beach's business plan emphasizes providing highly specialized financial services in a personalized manner to individuals and businesses in its service area. Beach's key strengths are customer service and an experienced management team familiar with the community. To better serve its business customers, Beach makes available a remote capture deposit product, as well as enhanced internet banking, electronic bill-pay and ACH origination. Through a division called The Doctors Bank®, Beach also serves physicians and dentists nationwide. In addition, Beach specializes in providing SBA loans, as member of the SBA's Preferred Lender Program. First PacTrust completed its acquisition of Beach on July 1, 2012.

The principal business of PacTrust Bank consists of attracting retail deposits from the general public and investing these funds primarily in loans secured by first mortgages on owner-occupied, one- to four-family residences, a variety of consumer loans, multi-family and commercial real estate and, to a limited extent, commercial business loans. PacTrust Bank offers a variety of deposit accounts for both individuals and businesses with varying rates and terms, which generally include savings accounts, money market deposits, certificate accounts and checking accounts. PacTrust Bank solicits deposits in PacTrust Bank's market area and, to a lesser extent, from institutional depositors nationwide, and in the past has accepted brokered deposits. On August 17, 2012, First PacTrust completed its acquisition of all of the outstanding shares of Gateway and merger Gateway into PacTrust Bank.

The principal executive offices of First PacTrust are located at 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612, and its telephone number is (949) 236-5211. First PacTrust's website can be accessed at <http://www.firstpactrustbancorp.com>. Information contained in First PacTrust's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus. First PacTrust's common stock is traded on the Nasdaq Global Market under the symbol BANC.

Additional information about First PacTrust and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#).

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**INFORMATION ABOUT PBOC**

The Private Bank of California was chartered on October 24, 2005 as a commercial bank in the state of California by the DFI. PBOC provides a wide range of financial services, including credit and deposit products as well as cash management services, from its headquarters located in the Century City area of Los Angeles, California as well as full-service branches in Hollywood and Orange County, and a loan production office in downtown Los Angeles. The Bank's target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses and non-profit organizations. At September 30, 2012, PBOC had assets of approximately \$685.1 million, gross loans of \$331.8 million and total deposits of \$580.5 million.

The DFI is the primary state regulator of PBOC and the FDIC is its primary federal regulator. Accordingly, PBOC is subject to the regulations of and periodic examinations by the DFI and FDIC, as primary regulators. In addition, because the deposits of PBOC are insured by the FDIC, PBOC is also subject to regulation and examination by the FDIC in its capacity as the bank's deposit insurance regulator.

PBOC's principal executive offices are located at 10100 Santa Monica Boulevard, Suite 2500, Los Angeles, California 90067, and its telephone number is (310) 286-0710. PBOC's website can be accessed at <http://www.tpbc.com>. Information contained in PBOC's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

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**THE MERGER**

*The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.*

**Terms of the Merger**

First PacTrust's and PBOC's boards of directors have approved the merger agreement. The merger agreement provides for the acquisition of PBOC by First PacTrust through the merger of PBOC with and into Beach, a wholly owned subsidiary of First PacTrust, with Beach continuing as the surviving entity in the merger. The merger agreement provides that if First PacTrust gives written notice to PBOC no later than three business days prior to the completion of the merger, First PacTrust may revise the structure of the merger so that PBOC merges with and into PacTrust Bank, with PacTrust Bank as the surviving entity in the merger. In the merger, all of the issued and outstanding shares of PBOC common stock will be converted into, in aggregate, (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments, described below. Based on the number of PBOC common shares outstanding as of [ ], each share of PBOC common stock would have been converted into [ ] shares of First PacTrust common stock and \$[ ] in cash if the merger had been completed as of that date.

The merger consideration is subject to the following adjustment: if the value of the merger consideration, calculated using \$12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC's tangible common equity as of the last business day of the month before the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related costs and expenses) then the cash portion of the merger consideration will be adjusted downward until the total value of the merger consideration is equal to 1.30 times PBOC's tangible common equity.

First PacTrust will not issue any fractional shares of First PacTrust common stock in the merger. PBOC shareholders who would otherwise be entitled to a fractional share of First PacTrust common stock upon the completion of the merger will instead receive an amount in cash calculated using \$12.00 as the value of one share of First PacTrust common stock.

PBOC shareholders are being asked to approve the merger agreement. See [The Merger Agreement](#) for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

**Background of the Merger**

Each of First PacTrust's and PBOC's board of directors has from time to time separately engaged with senior management of their respective companies in reviews and discussions of potential strategic alternatives, and has considered ways to enhance their respective companies performance and prospects in light of competitive and other relevant developments. For each company, these reviews have included periodic discussions with respect to potential transactions that would further its strategic objectives, and the potential benefits and risks of those transactions.

In the first quarter of 2011, Robert M. Franko, President and Chief Executive Officer of Beach, and David R. Misch, Chief Executive Officer of PBOC, began intermittent informal discussions regarding a possible combination of Beach and PBOC to be structured as a stock merger of equals of the two institutions. The Development Committee of the board of directors of PBOC, which we refer to as the Development Committee, was advised of these discussions and authorized the further exploration of a possible transaction. In connection

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with the discussions, a confidentiality agreement was executed by the two banks and limited financial information regarding Beach and PBOC was exchanged.

Discussions continued and resulted in several additional meetings between Mr. Franko and Mr. Misch between June 15, 2011 and July 16, 2011 in which possible terms of a potential transaction were discussed on a preliminary basis. On August 31, 2011, Beach announced that it was being acquired by First PacTrust for either a combination of First PacTrust shares and cash, or cash and warrants to purchase First PacTrust common shares. No further discussions were held regarding a transaction between Beach and PBOC.

On May 16, 2011, PBOC retained Milestone Advisors, LLC to advise PBOC concerning potential candidates for acquisition by PBOC, several of whom Matt Allen, of Milestone Advisors, contacted on a confidential basis on PBOC's behalf. Mr. Misch had preliminary meetings or conversations with representatives of four potential acquisition candidates between July 18 and July 20, 2011. On July 25, 2011 Mr. Misch also had lunch with Greg Mitchell, President and Chief Executive Officer of First PacTrust. No terms of any transaction were discussed at the lunch meeting.

In early September 2011, the Chief Executive Officer of one of the prospective merger candidates contacted in July 2011 by Mr. Allen of Milestone Advisors on behalf of PBOC, which we refer to as Bank A, met with Mr. Misch at PBOC to discuss, on a preliminary basis, a possible acquisition of Bank A by PBOC. The parties executed a confidentiality agreement and the board of directors of PBOC held a special meeting on September 19, 2011 to discuss PBOC's interest in a possible acquisition of Bank A. The Development Committee, Mr. Misch and Mr. Allen continued informal discussions regarding this transaction during September and October 2011. During September and early October, Mr. Misch met informally with a number of institutional investors to discuss the availability of financing for potential acquisitions and expansion by PBOC.

During the period that representatives of PBOC were in discussions with Bank A, exploratory discussions were also being held with another Southern California bank contacted by Milestone Advisors, which we refer to as Bank B. These discussions included Mr. Misch and other PBOC management team members, including PBOC President Richard Smith, as well as Mr. Allen of Milestone Advisors. The discussions concerned a possible acquisition of Bank B by PBOC. Both Bank A and Bank B were smaller than PBOC in terms of capital, assets and deposits.

On October 27, 2011, Milestone Advisors presented an analysis of the terms of a potential acquisition of Bank A to the board of directors of PBOC. After extensive discussion, the board of directors determined to seek an acquiror for PBOC, rather than seek to expand by acquisition. The basis for the decision included the cost of the capital that would be required to fund any proposed acquisitions by PBOC, the difficulties perceived in identifying and successfully concluding negotiations with potential targets, and the belief that a full and fair return for the PBOC franchise might be available under current market conditions. At the meeting, the board of directors authorized Milestone Advisors and Mr. Misch to contact Bank B to explore Bank B's possible interest in pursuing an acquisition of PBOC.

On December 20, 2011, PBOC entered into a non-binding letter of intent with Bank B, regarding a possible transaction in which Bank B would acquire PBOC. Bank B was granted an exclusivity period of 60 days in which to seek to conclude a definitive agreement for the transaction. PBOC understood that Bank B did not have sufficient capital resources to complete a potential acquisition of PBOC, and that sources of financing and financing commitments would have to be identified and obtained during the 60-day exclusivity period. PBOC subsequently terminated the non-binding letter of intent on February 19, 2012, following the expiration of the exclusivity period without necessary financing commitments having been obtained by Bank B.

During February and March 2012, Milestone Advisors and PBOC prepared marketing materials for a sales effort and identified 15 candidates that appeared to be potential acquirors of PBOC. Confidentiality agreements were ultimately executed with 10 banking institutions contacted in March 2012 as possible transaction partners, and an additional institution was added in July 2012. Ultimately, a total of 16 institutions were contacted.

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Through Milestone Advisors, discussions took place between, and due diligence activities were conducted by, a number of these parties and their advisors concerning a potential acquisition of PBOC.

Preliminary written offers were ultimately received from three of the potential acquirors between April 9 and May 25, 2012. Two of the potential acquirors conducted on-site due diligence and more detailed negotiations regarding a potential transaction were had with each. The remaining potential acquiror subsequently withdrew its offer prior to any on-site due diligence. Of the two remaining offers, one potential acquiror declined to confirm their continued interest and negotiations ceased; negotiations proceeded with the remaining potential acquiror.

During this process, Bank B was one of the parties contacted and although a verbal indication of interest was received, Bank B did not submit an offer. First PacTrust was contacted as part of the initial group of bidders, entered into a confidentiality agreement with PBOC and performed limited preliminary due diligence. However, in April 2012, First PacTrust indicated that it was not interested in pursuing a transaction with PBOC at that time based on the terms described by PBOC.

The board of directors of PBOC elected to proceed with the one remaining institution to have submitted a preliminary offer, which preliminary offer indicated a non-binding pricing level of \$13.00 per share. However, in August 2012, the remaining potential acquiror verbally lowered its indicative pricing level to significantly less than its initial offer.

On July 20, 2012, Keith Holmes of King, Holmes, Paterno & Berliner, LLP, which we refer to as King Holmes, legal counsel to PBOC, was contacted by Richard Pachulski, chairman of the Development Committee, to discuss the status of PBOC's transaction process. Following this discussion, Mr. Pachulski directed Mr. Holmes to contact First PacTrust to inquire into First PacTrust's potential interest in a possible strategic transaction with PBOC at a price of \$13.00 per share. Accordingly, on July 20, 2012, Mr. Holmes contacted representatives of First PacTrust to inquire about its potential interest in a transaction. On July 20, 2012, First PacTrust presented a non-binding letter of intent at \$13.00 per PBOC share, with the transaction to be effected through a merger of PBOC with one of First PacTrust's banking subsidiaries, Beach or PacTrust. Between July 20 and July 22, several drafts of the letter of intent from First PacTrust were circulated and discussed in various phone calls among Mr. Holmes, members of the Development Committee, Mr. Smith, Mr. Misch and Mr. Allen of Milestone Advisors.

Following further discussions, on July 23, 2012, the board of directors of PBOC held a telephonic meeting, in which Mr. Allen of Milestone Advisors and Mr. Holmes of King Holmes participated, to discuss and consider the First PacTrust offer. Following extensive discussion, the board of directors approved PBOC's entering into a non-binding letter of intent with First PacTrust. The letter was subsequently executed by Mr. Misch on behalf of the board of directors on July 23, 2012 and provided for a price per PBOC share of \$13.00, with First PacTrust having the option to use its common stock for up to 41% - 51% of the total merger consideration. The aggregate price was also capped at 1.30 times PBOC's tangible common equity as of the end of the month preceding the closing of the transaction.

On August 1, 2012, Wachtell, Lipton, Rosen & Katz, which we refer to as Wachtell Lipton, counsel to First PacTrust, delivered a first draft of the definitive merger agreement to King Holmes. Following discussions between King Holmes and Wachtell Lipton, the transaction was modified to include total consideration comprised of 49% cash and 51% common stock, with the First PacTrust common stock being valued for purposes of the merger consideration at \$12.00 per share. First PacTrust also indicated that it would require certain key employees of PBOC (Chief Executive Officer David Misch, President Richard Smith, and Executive Vice President Nick Zappia) to enter into employment agreements to continue to provide services to the combined company following the completion of the merger. Individual meetings were held between First PacTrust and these key employees to discuss and negotiate terms of such employment agreements, which were subsequently entered into as further described in "Interests of PBOC's Directors and Executive Officers in the Merger." Subject to the possibility of the alternative structure described elsewhere in this proxy statement/prospectus, the merger agreement also designated Beach as the First PacTrust entity to be utilized to complete the merger.

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On August 21, 2012, PBOC's board of directors held a special meeting to discuss and consider the terms and conditions of the merger and the draft merger agreement. In the course of that meeting, PBOC's board of directors received presentations from management, Milestone Advisors and King Holmes. PBOC's board of directors reviewed a fairness opinion from Milestone Advisors indicating that the merger consideration was fair from a financial point of view to PBOC shareholders. For more information on the fairness opinion from Milestone Advisors, see Opinion of Milestone Advisors, LLC and Annex B to this proxy statement/prospectus, in which the full text of the opinion is attached. Representatives of King Holmes also thoroughly reviewed the details of the merger agreement with PBOC's board of directors.

Following an extensive discussion, PBOC's board of directors unanimously voted to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger, and authorized PBOC's management to execute the merger agreement. Following market close on August 21, 2012, the merger agreement was executed by officers of First PacTrust, Beach and PBOC, and the parties issued a joint press release announcing the execution of the merger agreement and the terms of the proposed merger.

### **PBOC's Reasons for the Merger; Recommendation of PBOC's Board of Directors**

**After careful consideration, at its meeting on August 21, 2012, PBOC's board of directors determined that the plan of merger contained in the merger agreement is in the best interests of PBOC and its shareholders and that the consideration to be received in the merger is fair to the common shareholders of PBOC. Accordingly, PBOC's board of directors, by a unanimous vote, adopted and approved the merger agreement and unanimously recommends that PBOC shareholders vote FOR approval of the merger agreement.**

In reaching its decision to adopt and approve the merger agreement and recommend the merger to its shareholders, PBOC's board of directors consulted with PBOC's management, as well as its legal and financial advisors, and considered a number of positive factors, including the following material factors:

Its knowledge of PBOC's business, operations, financial condition, earnings and prospects and of First PacTrust's business, operations, financial condition, earnings and prospects, taking into account the results of PBOC's due diligence review of First PacTrust.

Its knowledge of the current environment in the financial services industry, including national and regional economic conditions, continued consolidation, increased regulatory burdens, evolving trends in technology and increasing nationwide and global competition, the current financial market conditions and the likely effects of these factors on the companies' potential growth, development, productivity, profitability and strategic options, and the historical market prices of PBOC common stock.

The careful review undertaken by PBOC's board of directors and management, with the assistance of PBOC's legal and financial advisors, with respect to the strategic alternatives available to PBOC if it remained an independent bank.

The complementary aspects of the PBOC and First PacTrust businesses, including customer focus, geographic coverage, business orientation and compatibility of the companies' management and operating styles.

The value to PBOC shareholders from diversifying PBOC's private banking model and commercial banking platform by combining it with First PacTrust's retail banking model.

First PacTrust's commitment to enhancing its strategic position in the State of California.

The potential expense-saving and revenue-enhancing opportunities in connection with the merger, the related potential impact on the combined company's earnings and the fact that the nature of the merger consideration would allow former PBOC shareholders to participate as First PacTrust shareholders in the benefits of such savings opportunities and the future performance of the combined

company generally.

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The respective presentations by PBOC management and its financial advisors concerning the operations, financial condition and prospects of PBOC and the expected financial impact of the merger on the combined company, including pro forma assets, earnings and deposits.

The terms of the merger agreement, and the presentation by PBOC's outside legal advisors regarding the merger and the merger agreement.

The opinion delivered to PBOC by Milestone Advisors, LLC on August 21, 2012 to the effect that, as of August 21, 2012, and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth in the opinion, the exchange ratio under the merger agreement was fair, from a financial point of view, to the holders of shares of PBOC common stock.

The financial terms of the merger, including the fact that, based on the closing price of First PacTrust common stock on the NASDAQ Global Market as of market close on August 20, 2012 (the trading day prior to the execution of the merger agreement), the implied value of the per share merger consideration represented an approximate 27.3% premium to the last quoted sales price of PBOC common stock on the OTC Bulletin Board as of that date.

PBOC's board of directors' belief that a merger with First PacTrust would allow PBOC shareholders to participate in the future performance of a combined company that would have better future prospects than PBOC was likely to achieve on a stand-alone basis or through other strategic alternatives, including a combination with other potential merger partners.

PBOC's board of directors' belief that PBOC and First PacTrust shared a similar strategic vision, as compared to other potential merger partners.

The regulatory and other approvals required in connection with the merger and the likelihood that the approvals needed to complete the merger would be obtained without unacceptable conditions.

The fact that holders of PBOC common stock who do not vote in favor of the merger agreement and who comply with all other applicable statutory procedures for asserting dissenters' rights will be entitled to exercise dissenters' rights under California law. PBOC's board of directors also considered potential risks and potentially negative factors concerning the merger in connection with its deliberations on the proposed transaction, including the following material factors:

The potential risk that a further downturn in the California housing market could negatively impact First PacTrust's loan portfolio, and thereby affect the value of the First PacTrust common stock.

The potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger.

The provisions of the merger agreement restricting PBOC's solicitation of third-party acquisition proposals, requiring PBOC to hold a special meeting of its shareholders to vote on approval of the merger agreement and providing for the payment of a termination fee and reimbursement of First PacTrust's expenses related to the merger in certain circumstances, which PBOC's board of directors understood, while potentially limiting the willingness of a third party to propose a competing business combination transaction with PBOC, were a condition to First PacTrust's willingness to enter into the merger agreement.



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The fact that PBOC's directors and executive officers have other interests in the merger that are different from, or in addition to, their interests as PBOC shareholders. See [Interests of PBOC's Directors and Executive Officers in the Merger](#). The foregoing discussion of factors considered by PBOC's board of directors is not intended to be exhaustive, but is believed to include all material factors considered by PBOC's board of directors. In view of the wide variety of the factors considered in connection with its evaluation of the merger and the complexity of these

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matters, PBOC's board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, the individual members of PBOC's board of directors may have given different weight to different factors. PBOC's board of directors conducted an overall analysis of the factors described above including thorough discussions with, and questioning of, PBOC management and PBOC's legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination.

The foregoing explanation of PBOC's board of directors' reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements."

### **Opinion of Milestone Advisors, LLC**

By letter dated January 24, 2012, PBOC retained Milestone Advisors, LLC to act as its exclusive financial advisor in connection with a possible business combination with another financial institution. Milestone is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Milestone is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Milestone acted as exclusive financial advisor to PBOC in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of a definitive merger agreement between First PacTrust and PBOC on August 21, 2012. At the August 21, 2012 meeting at which PBOC's board of directors considered and approved the merger agreement, Milestone delivered to the PBOC board of directors its opinion that, as of such date, the merger consideration was fair to the holders of PBOC common stock from a financial point of view.

**The full text of Milestone's opinion is attached as Appendix B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Milestone in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. PBOC's shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Milestone's opinion speaks only as of the date of the opinion. The opinion was directed to the PBOC board of directors and is directed only to the fairness of the merger consideration to the holders of PBOC common stock from a financial point of view. It does not address the underlying business decision of PBOC to engage in the merger or any other aspect of the merger and it is not a recommendation to any PBOC shareholder as to how such shareholder should vote, with respect to the approval of the merger agreement or any other matter, at the special meeting to approve the merger agreement.**

In connection with rendering its August 21, 2012 opinion, Milestone reviewed and considered, among other things:

- (1) the merger agreement and ancillary documents thereto;
- (2) certain publicly available business and financial information relating to PBOC and First PacTrust that Milestone deemed to be relevant;
- (3) certain internal information, primarily financial in nature, including financial projections and other financial and operating data relating to the strategic implications and operational benefits anticipated to result from the merger, furnished to Milestone by PBOC and First PacTrust;
- (4) certain publicly available information and other information concerning the prices and trading history of, and the trading market for, the common stock of PBOC and First PacTrust;

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- (5) certain publicly available information with respect to other companies that Milestone believed to be comparable in certain respects to PBOC and First PacTrust;
- (6) the financial terms, to the extent publicly available, of selected recent business combinations of companies in the banking industry that Milestone deemed to be comparable, in whole or in part, to the merger;
- (7) inquiries regarding and discussions concerning the merger and the merger agreement and other matters related thereto with the PBOC and PBOC's counsel; and
- (8) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Milestone considered relevant.

Milestone also discussed with certain members of senior management of PBOC the business, financial condition, results of operations and prospects of PBOC, including certain operating, liquidity, regulatory and other financial matters.

In performing its review, Milestone assumed, for purposes of rendering its opinion, the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by PBOC or its respective representatives or that was otherwise reviewed by Milestone. Milestone further relied on the assurances of management of PBOC that it was not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Milestone has not been asked to and did not undertake an independent verification of any of such information and it does not assume any responsibility or liability for the accuracy or completeness thereof. Milestone did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of PBOC, or the collectability of any such assets, nor has it been furnished with any such evaluations or appraisals. Milestone did not make an independent evaluation of the adequacy of the allowance for credit losses of PBOC nor has it reviewed any individual credit files relating to PBOC.

With respect to the internal projections and estimates for PBOC used by Milestone in its analyses, PBOC's management confirmed to Milestone that they reflected the best currently available estimates and judgments of management of the future financial performance of PBOC and Milestone assumed that such performance would be achieved. Milestone expressed no opinion as to such financial projections and estimates or the assumptions on which they were based. Milestone also assumed that there had been no material change in PBOC's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Milestone. Milestone assumed in all respects material to its analysis that each party to the merger agreement will perform all of the covenants required to be performed by such party under the agreement, and that the conditions precedent in the agreement will not be waived. Milestone relied upon the advice PBOC has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement. Milestone did not provide any legal, accounting or tax advice relating to the merger agreement and the other transactions contemplated thereby.

Milestone's opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of its opinion. Events occurring after the date of the opinion could materially affect the opinion. Milestone has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date hereof. Milestone's opinion was approved by Milestone's fairness opinion committee.

In rendering its August 21, 2012 opinion, Milestone performed a variety of financial analyses. The following is a summary of the material analyses performed by Milestone, but is not a complete description of all the analyses underlying Milestone's opinion.

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**The summary of financial analyses includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.**

The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to partial analysis or summary description. Milestone believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, would create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Milestone's comparative analyses described below is identical to PBOC or First PacTrust and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of PBOC or First PacTrust and the companies to which they are being compared.

*Summary of Proposal.* Milestone reviewed the financial terms of the proposed transaction, and as fully described in the merger agreement. Subject to the provisions of the merger agreement, if the merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments. Based on the number of PBOC common shares outstanding as of August 17, 2012, and assuming the merger had been completed on that date, each share of PBOC common stock issued and outstanding immediately prior to the effective time of the merger would be converted into the right to receive 0.5429 First PacTrust common shares plus \$6.49 in cash. The aggregate stock component of the transaction consideration is fixed and not collared. Options to purchase PBOC common stock will be rolled into First PacTrust options per customary conversion methodology as described in the merger agreement.

For purposes of its opinion, Milestone assumed 3,837,501 shares of PBOC common stock outstanding (inclusive of 87,000 shares of restricted stock outstanding) and 847,050 options to purchase PBOC common stock outstanding, each option exercisable at a weighted average exercise price of \$10.30 per share. The following table calculates the transaction ratios based on the above assumptions.

*Transaction Ratios.* Based upon per share financial information for PBOC for the twelve months ended June 30, 2012, Milestone calculated the following transaction ratios:

Transaction Value to Book Value	127.3%
Transaction Value to Tangible Book Value	127.3%
Transaction Value to Trailing Twelve Months Earnings	25.5x
Transaction Value to Total Assets	6.2%
Tangible Book Premium to Core Deposits	3.5%
Premium over Current Market Price	27.5%

*Comparable Publicly Traded Company Analysis PBOC.* Milestone used publicly available information to compare selected financial and market trading information for PBOC and a group of financial institutions selected by Milestone. The PBOC peer group consisted of the following publicly traded commercial banks and/or bank holding companies headquartered in California with total assets between \$250 million and \$2 billion, which were profitable over the time period spanning July 1, 2011 to June 30, 2012, and had nonperforming assets-to-total assets of less than 3% as of June 30, 2012: Bridge Capital Holdings, Central Valley Community Bancorp, CommerceWest Bank, First California Financial Group, First Northern Community Bancorp, Heritage Commerce Corp, Heritage Oaks Bancorp, Plaza Bank, Sunwest Bank, Valley Commerce Bancorp, and Valley Republic Bank.

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The analysis compared publicly available financial information for PBOC and the high, low, average, and median financial and market trading data for the PBOC peer group using financial data as of and for the twelve months ended June 30, 2012 and market trading data as of the close of market on August 17, 2012. The table below sets forth the data for PBOC and PBOC's peer group as of and for the dates provided above.

<b>Private Bank Comparable Publicly Traded Companies</b>														
	Total Assets (\$000)	ROAE (%)	ROAA (%)	Tang Equity Ratio (%)	Efficiency NIM (%)	Efficiency Ratio (%)	NPAs/ Assets (%)	Price/ TBV (%)	Price/ T EPS (x)	Price/ Assets (%)	Dividend Yield (%)	Market Value (\$M)	LTM Price Change (%)	Average Weekly Volume (%)
Average	913,296	6.48	0.80	11.92	4.34	70.81	1.87	113.89	19.54	12.19	0.95	115.51	32.28	0.50
Median	810,547	6.16	0.80	11.79	4.22	71.98	2.10	108.20	17.24	11.13		68.99	28.15	0.18
High	1,977,824	12.10	1.31	14.98	6.93	79.97	2.86	171.97	51.85	20.24	3.20	287.43	122.64	2.00
Low	263,106	2.19	0.32	8.54	2.67	49.19	0.10	70.50	6.18	6.61		29.10	(22.22)	0.01
Private Bank	638,746	4.44	0.38	8.24	3.12	83.49	0.47	95.93	20.00	6.20	NA	38.97	24.39	0.14

*Comparable Publicly Traded Company Analysis First PacTrust.* Milestone used publicly available information to compare selected financial and market trading information for First PacTrust and a group of financial institutions selected by Milestone. The First PacTrust peer group consisted of the following publicly traded commercial banks and/or bank holding companies headquartered in the West Region of the US with total assets between \$1 billion and \$5 billion, a tangible common equity ratio of greater than 10%, and nonperforming assets-to-total assets of less than 4% as of June 30, 2012: Banner Corporation, Bridge Capital Holdings, Farmer & Merchants Bancorp, Hanmi Financial Corporation, Heritage Commerce Corp, Heritage Financial Corp, Home Federal Bancorp, Northrim Bancorp, Washington Banking Company, West Coast Bancorp, and Wilshire Bancorp.

The analysis compared publicly available financial information for First PacTrust and the high, low, average, and median financial and market trading data for the First PacTrust peer group using financial data as of and for the twelve months ended June 30, 2012 and market trading data as of the close of market on August 17, 2012. The table below sets forth the data for First PacTrust and First PacTrust's peer group as of and for the dates provided above.

<b>First PacTrust Comparable Publicly Traded Companies</b>														
	Total Assets (\$000)	ROAE (%)	ROAA (%)	Tang Equity Ratio (%)	Efficiency NIM (%)	Efficiency Ratio (%)	NPAs/ Assets (%)	Price/ TBV (%)	Price/ 13E EPS (x)	Price/ Assets (%)	Dividend Yield (%)	Market Value (\$M)	LTM Price Change (%)	Average Weekly Volume (%)
Average	1,966,710	5.46	0.59	12.20	4.31	68.03	2.38	125.36	14.45	14.90	1.32	285.53	39.66	1.58
Median	1,663,880	6.12	0.89	11.22	4.11	67.58	2.29	119.21	15.24	14.64	1.15	229.35	45.02	1.33
High	4,221,427	14.04	1.37	16.30	5.47	88.26	4.02	167.30	18.01	19.69	3.19	467.51	110.36	3.41
Low	1,072,077	(11.46)	(1.10)	9.86	3.47	48.47	0.61	84.40	9.97	11.15		136.53	(11.08)	0.03
First PacTrust	1,115,120	(1.70)	(0.31)	18.47	3.48	95.62	3.76	93.00	12.72	12.91	4.01	127.03	(5.26)	1.29

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*Market Trading Analysis PBOC.* Milestone reviewed the public market trading history of PBOC common stock and its relative stock price performance against the S&P Bank Index and the NASDAQ Bank Index over the preceding one-year and three-year periods:

**Private Bank Historical Trading Information**

Most Recent Trading Price (8/17/12)	\$ 10.20	30-Day Trailing Volume Weighted-Average Price	\$ 10.20
52-Week Volume Weighted-Average Price	\$ 9.28	60-Day Trailing Volume Weighted-Average Price	\$ 10.20
52-Week High Price	\$ 10.50	90-Day Trailing Volume Weighted-Average Price	\$ 10.19
52-Week Low Price	\$ 8.05	180-Day Trailing Volume Weighted-Average Price	\$ 9.85
Average Weekly Volume (Shares 000s)	5,346	Average Weekly Volume (\$000s)	\$ 54.5

**Private Bank Comparative Price Performance**

<i>One Year Trading History:</i>	7/18/11	8/17/12	<i>Three-Year Trading History:</i>	7/18/11	8/17/12
Private Bank	100.0%	124.4%	Private Bank	100.0%	127.5%
S&P Bank Index	100.0%	144.6%	S&P Bank Index	100.0%	131.6%
Nasdaq Bank Index	100.0%	127.9%	Nasdaq Bank Index	100.0%	104.3%

*Market Trading Analysis First PacTrust.* Milestone reviewed the public market trading history of First PacTrust common stock and its relative stock price performance against the S&P Bank Index and the NASDAQ Bank Index over the preceding one-year and three-year periods:

**First PacTrust Historical Trading Information**

Most Recent Trading Price (8/17/12)	\$ 12.07	30-Day Trailing Volume Weighted-Average Price	\$ 11.57
52-Week Volume Weighted-Average Price	\$ 11.39	60-Day Trailing Volume Weighted-Average Price	\$ 11.66
52-Week High Price	\$ 13.03	90-Day Trailing Volume Weighted-Average Price	\$ 11.64
		180-Day Trailing Volume Weighted-Average Price	
52-Week Low Price	\$ 9.78	Price	\$ 11.50
Average Weekly Volume (Shares 000s)	132,852	Average Weekly Volume (\$000s)	\$ 1,603.5

**First PacTrust Comparative Price Performance**

<i>One Year Trading History:</i>	7/18/11	8/17/12	<i>Three-Year Trading History:</i>	7/18/11	8/17/12
First PacTrust	100.0%	102.9%	First PacTrust	100.0%	193.4%
S&P Bank Index	100.0%	144.6%	S&P Bank Index	100.0%	131.6%
Nasdaq Bank Index	100.0%	127.9%	Nasdaq Bank Index	100.0%	104.3%

*Present Value Analysis PBOC.* Milestone performed an analysis of the present value of PBOC shares under different market pricing scenarios. The analysis assumes that PBOC performs in accordance with Milestone's financial projections for PBOC, and the estimates used were independently developed by Milestone and subsequently validated based on projections provided by First PacTrust management.

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In performing the present value analyses, Milestone applied an estimated price-to-earnings multiple ranging from 10.0x to 20.0x to PBOC's projected 2015 earnings per share and an estimated price-to-book value multiple ranging from 100% to 200% to PBOC's projected tangible book value per share, resulting in an implied projected valuation. The projected stock prices were discounted to the present using discount rates of 10.0% to 15.0%. These analyses indicate that the present value of PBOC's future stock price based on a price-to-earnings multiple averaged \$16.33 per share and ranged from \$10.10 to \$23.45 per share, and based on a price-to-book value multiple averaged \$12.01 per share and ranged from \$7.84 to \$20.49 per share.

		2015 Earnings per Share Multiples					
		10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
<b>Discount Rate</b>	<b>10%</b>	\$ 11.73	\$ 14.07	\$ 16.42	\$ 18.76	\$ 21.11	\$ 23.45
	<b>11%</b>	\$ 11.37	\$ 13.65	\$ 15.92	\$ 18.20	\$ 20.47	\$ 22.75
	<b>12%</b>	\$ 11.04	\$ 13.24	\$ 15.45	\$ 17.66	\$ 19.86	\$ 22.07
	<b>13%</b>	\$ 10.71	\$ 12.85	\$ 14.99	\$ 17.14	\$ 19.28	\$ 21.42
	<b>14%</b>	\$ 10.40	\$ 12.48	\$ 14.56	\$ 16.64	\$ 18.72	\$ 20.80
	<b>15%</b>	\$ 10.10	\$ 12.12	\$ 14.14	\$ 16.15	\$ 18.17	\$ 20.19
		2015 TBV per Share Multiples					
		100%	125%	150%	175%	200%	225%
<b>Discount Rate</b>	<b>10%</b>	\$ 9.11	\$ 11.38	\$ 13.66	\$ 15.94	\$ 18.22	\$ 20.49
	<b>11%</b>	\$ 8.83	\$ 11.04	\$ 13.25	\$ 15.46	\$ 17.67	\$ 19.88
	<b>12%</b>	\$ 8.57	\$ 10.72	\$ 12.86	\$ 15.00	\$ 17.14	\$ 19.29
	<b>13%</b>	\$ 8.32	\$ 10.40	\$ 12.48	\$ 14.56	\$ 16.64	\$ 18.72
	<b>14%</b>	\$ 8.08	\$ 10.10	\$ 12.11	\$ 14.13	\$ 16.15	\$ 18.17
	<b>15%</b>	\$ 7.84	\$ 9.80	\$ 11.76	\$ 13.72	\$ 15.69	\$ 17.65

Milestone also considered how these ranges may be affected by changes in the underlying assumptions, particularly earnings fluctuations. Milestone assumed a range of plus-30% to minus-30% for 2015 earnings to gauge the sensitivity of the analysis to earnings fluctuations, and discounted the resultant prices to the present using a discount rate of 12.5%.

		2015 Earnings per Share Multiples					
		10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
<b>Budget Variance</b>	<b>-30%</b>	\$ 7.61	\$ 9.13	\$ 10.65	\$ 12.18	\$ 13.70	\$ 15.22
	<b>-20%</b>	\$ 8.70	\$ 10.44	\$ 12.18	\$ 13.92	\$ 15.66	\$ 17.39
	<b>-10%</b>	\$ 9.78	\$ 11.74	\$ 13.70	\$ 15.66	\$ 17.61	\$ 19.57
	<b>0%</b>	\$ 10.87	\$ 13.05	\$ 15.22	\$ 17.39	\$ 19.57	\$ 21.74
	<b>10%</b>	\$ 11.96	\$ 14.35	\$ 16.74	\$ 19.13	\$ 21.53	\$ 23.92
	<b>20%</b>	\$ 13.05	\$ 15.66	\$ 18.26	\$ 20.87	\$ 23.48	\$ 26.09
	<b>30%</b>	\$ 14.13	\$ 16.96	\$ 19.79	\$ 22.61	\$ 25.44	\$ 28.27

During the meeting of PBOC's board of directors on August 21, 2012, Milestone noted that the discounted dividend stream and terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Present Value Analysis - First PacTrust.* Milestone also performed an analysis of the present value of First PacTrust shares under different market pricing scenarios. The analysis assumes that First PacTrust performs in accordance with Milestone's financial projections for First PacTrust, and the estimates used were independently developed by Milestone and subsequently validated based on projections provided by First PacTrust.

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In performing the present value analyses, Milestone applied an estimated price-to-earnings multiple ranging from 10.0x to 20.0x to First PacTrust's projected 2015 earnings per share and an estimated price-to-book value multiple ranging from 100% to 200% to First PacTrust's projected tangible book value per share, resulting in an implied projected valuation. The projected stock prices were discounted to the present using discount rates of 10.0% to 15.0%. These analyses indicate that the present value of the Company's future stock price based on a price-to-earnings multiple averaged \$17.34 per share and ranged from \$10.72 to \$24.89 per share, and based on a price-to-book value multiple averaged \$12.68 per share and ranged from \$8.29 to \$21.65 per share.

		2015 Earnings per Share Multiples					
		10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
<b>Discount Rate</b>	<b>10%</b>	\$ 12.44	\$ 14.93	\$ 17.42	\$ 19.91	\$ 22.40	\$ 24.89
	<b>11%</b>	\$ 12.07	\$ 14.49	\$ 16.90	\$ 19.31	\$ 21.73	\$ 24.14
	<b>12%</b>	\$ 11.71	\$ 14.05	\$ 16.40	\$ 18.74	\$ 21.08	\$ 23.42
	<b>13%</b>	\$ 11.37	\$ 13.64	\$ 15.91	\$ 18.19	\$ 20.46	\$ 22.73
	<b>14%</b>	\$ 11.04	\$ 13.24	\$ 15.45	\$ 17.66	\$ 19.86	\$ 22.07
	<b>15%</b>	\$ 10.72	\$ 12.86	\$ 15.00	\$ 17.14	\$ 19.29	\$ 21.43
		2015 TBV per Share Multiples					
		100%	125%	150%	175%	200%	225%
<b>Discount Rate</b>	<b>10%</b>	\$ 9.62	\$ 12.03	\$ 14.44	\$ 16.84	\$ 19.25	\$ 21.65
	<b>11%</b>	\$ 9.34	\$ 11.67	\$ 14.00	\$ 16.34	\$ 18.67	\$ 21.00
	<b>12%</b>	\$ 9.06	\$ 11.32	\$ 13.59	\$ 15.85	\$ 18.12	\$ 20.38
	<b>13%</b>	\$ 8.79	\$ 10.99	\$ 13.19	\$ 15.38	\$ 17.58	\$ 19.78
	<b>14%</b>	\$ 8.53	\$ 10.67	\$ 12.80	\$ 14.93	\$ 17.07	\$ 19.20
	<b>15%</b>	\$ 8.29	\$ 10.36	\$ 12.43	\$ 14.50	\$ 16.57	\$ 18.65

Milestone also considered how these ranges may be affected by changes in the underlying assumptions, particularly earnings fluctuations. Milestone assumed a range of plus-30% to minus-30% for 2015 earnings to gauge the sensitivity of the analysis to earnings fluctuations, and discounted the resultant prices to the present using a discount rate of 12.5%.

		2015 Earnings per Share Multiples					
		10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
<b>Budget Variance</b>	<b>-30%</b>	\$ 8.08	\$ 9.69	\$ 11.31	\$ 12.92	\$ 14.54	\$ 16.15
	<b>-20%</b>	\$ 9.23	\$ 11.08	\$ 12.92	\$ 14.77	\$ 16.61	\$ 18.46
	<b>-10%</b>	\$ 10.38	\$ 12.46	\$ 14.54	\$ 16.61	\$ 18.69	\$ 20.77
	<b>0%</b>	\$ 11.54	\$ 13.85	\$ 16.15	\$ 18.46	\$ 20.77	\$ 23.08
	<b>10%</b>	\$ 12.69	\$ 15.23	\$ 17.77	\$ 20.31	\$ 22.85	\$ 25.38
	<b>20%</b>	\$ 13.85	\$ 16.61	\$ 19.38	\$ 22.15	\$ 24.92	\$ 27.69
	<b>30%</b>	\$ 15.00	\$ 18.00	\$ 21.00	\$ 24.00	\$ 27.00	\$ 30.00

During the meeting of PBOC's board of directors on August 21, 2012, Milestone noted that the discounted dividend stream and terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Comparable Transaction Analysis.* Milestone reviewed certain publicly available information regarding 21 selected merger and acquisition transactions from January 1, 2010 to August 17, 2012 involving commercial banks and bank holding companies headquartered in the United States, including all deals for which transaction pricing was available and in which the target bank had between \$250 million and \$1 billion in assets, was profitable over the time period spanning four fiscal quarters preceding the date of transaction announcement, and had less than 3% non-performing assets-to-assets in the most recent quarter prior to transaction announcement.





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For each transaction, Milestone analyzed data illustrating, among other things, the multiple of purchase price to LTM earnings, the multiple of purchase price to tangible book value, and the ratio of the premium (i.e., purchase price in excess of tangible book value) to core deposits. The table below sets forth the transaction metrics for the peer transaction group.

**COMPARABLE TRANSACTION GROUP ANALYSIS**

Buyer / Target Name	Total Assets (\$000)	Announce Date	Deal Value (\$M)	Price to TBV (%)	Price to LTM Earnings (x)	Prem Core (%)
<b>Comparable Transaction Group Average</b>	<b>507,902</b>		<b>61.9</b>	<b>132.7</b>	<b>19.3</b>	<b>4.6</b>
<b>Comparable Transaction Group Median</b>	<b>449,752</b>		<b>50.0</b>	<b>134.4</b>	<b>18.7</b>	<b>5.0</b>
Comparable Transaction Group High Value	<b>929,268</b>		<b>135.0</b>	<b>174.3</b>	<b>34.6</b>	<b>11.9</b>
Comparable Transaction Group Low Value	<b>259,163</b>		<b>25.0</b>	<b>79.6</b>	<b>7.1</b>	<b>(2.0)</b>
<b>First PacTrust / Private Bank</b>	<b>638,746</b>	<b>8/21/2012</b>	<b>52.4</b>	<b>127.30</b>	<b>25.50</b>	<b>3.50</b>

*Pro Forma Accretion and Capitalization.* Milestone analyzed certain potential pro-forma effects of the merger, based upon (1) a per share transaction value equal to an exchange ratio of 0.5429 shares of First PacTrust common stock plus \$6.49 in cash for each PBOC share, or approximately \$13.04 in total consideration value per share as of August 17, 2012, (2) the projected 2012 through 2016 earnings for PBOC and First PacTrust, (3) charges, transaction costs, and purchase accounting adjustments determined by Milestone and the senior managements of PBOC and (4) expense savings of approximately 24% of PBOC's non-interest expense base, which savings Milestone estimated would be fully realized in 2014.

The analyses indicated that for the year ending December 31, 2013, the merger (including transaction expenses) would be accretive to First PacTrust's projected earnings per share and, at December 31, 2011 the merger would be moderately dilutive to First PacTrust's tangible book value per share. The analyses also indicated that for the year ending December 31, 2013, the merger would maintain First PacTrust's regulatory capital ratios significantly in excess of the guidelines for well capitalized status. The actual results achieved by the combined company, however, may vary from projected results and such variations may be material.

*Miscellaneous.* PBOC has agreed to pay Milestone a transaction fee in connection with the merger equal to 1% of the aggregate transaction value, which is contingent, and payable, upon the completion of the merger. As of August 21, 2012, the transaction fee would equal approximately \$524,000. PBOC also has paid Milestone a \$25,000 retainer fee. PBOC has also agreed to reimburse certain of Milestone's reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Milestone and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under the securities laws.

Milestone has, in the past, provided certain investment banking services to PBOC and has received compensation for such services. In the ordinary course of its respective broker and dealer businesses, Milestone may purchase securities from, and sell securities to, PBOC and its affiliates. Milestone may also actively trade the debt and/or equity securities of PBOC or its affiliates for its own accounts and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

**First PacTrust's Reasons for the Merger**

First PacTrust believes that the acquisition of PBOC will complement First PacTrust's footprint and its growth strategy, including by enabling it to deepen its footprint in the greater Los Angeles market, including in

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Hollywood and Century City, particularly since PBOC has a strong reputation in these markets. PBOC's management team has long-term expertise providing private banking services to small- and mid-sized businesses, entrepreneurs and high net worth individuals throughout Southern California. First PacTrust's board of directors and Beach's board of directors approved the merger agreement in a joint meeting of the two boards of directors, after First PacTrust's senior management discussed with the First PacTrust and Beach boards a number of factors, including those described above and the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of PBOC. Neither First PacTrust's board of directors nor Beach's board of directors considered it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. First PacTrust's board of directors and Beach's board of directors viewed their respective positions as being based on all of the information and the factors presented to and considered by them. In addition, individual directors may have given different weights to different information and factors.

### **Board of Directors and Management of First PacTrust After the Merger**

The size and composition First PacTrust's board of directors and Beach's board of directors will not be affected by the merger.

David Misch, Chief Executive Officer PBOC, has agreed to serve as First PacTrust's Chief Risk Officer following the completion of the merger. David Misch, Richard Smith, and Nick Zappia, all of whom are executive officers of PBOC, have each entered into agreements to continue working with First PacTrust following the closing. Richard Pachulski, a member of the board of directors of PBOC, has agreed to serve as the Chairman of a new Advisory Board to be formed by First PacTrust. See "The Merger" Interests of PBOC's Directors and Executive Officers in the Merger. Information about First PacTrust's current directors and executive officers can be found in the documents listed in the section entitled "Where You Can Find More Information."

### **Interests of PBOC's Directors and Executive Officers in the Merger**

In considering the recommendation of PBOC's board of directors that you vote to approve the merger agreement, you should be aware that some of PBOC's executive officers and directors have financial interests in the merger that are different from, or in addition to, those of PBOC shareholders generally. The independent members of PBOC's board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to the shareholders that the merger agreement be approved.

#### *Stock Ownership*

The directors and executive officers of PBOC beneficially owned as of December 27, 2012, a total of 695,197 shares of PBOC common stock (excluding options to purchase common stock but including PBOC restricted shares), representing approximately [ ]% of the outstanding shares of PBOC common stock as of such date. They will receive the same merger consideration as other PBOC shareholders in respect of these shares of PBOC common stock.

#### *Equity-Based Awards*

Equity or equity-based awards held by PBOC executive officers and directors will be treated at the effective time of the merger as follows:

**PBOC Options.** Each PBOC option that is outstanding immediately prior to the completion of the merger will be converted into an option to purchase a number of whole shares of First PacTrust common stock (rounded down to the nearest whole share) equal to the number of shares of PBOC common stock subject to such PBOC

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option immediately prior to the completion of the merger multiplied by the option exchange ratio at a per-share exercise price (rounded up to nearest whole penny) equal to the per-share exercise price for each such PBOC common share subject to such PBOC option immediately prior to the completion of the merger divided by the option exchange ratio. The First PacTrust options issued in exchange for PBOC options will otherwise be issued on substantially similar aggregate terms and conditions (including with respect to vesting) as applied to each PBOC option immediately prior to the completion of the merger. First PacTrust may convert the PBOC options into options issued pursuant to an existing benefit plan of First PacTrust or its affiliates, so long as such conversion does not materially and adversely affect the holders of the PBOC options and is consistent with the above-described adjustment provisions.

The following table sets forth, with respect to each of the executive officers of PBOC as well as all non-employee directors of PBOC as a group, the total number of PBOC options held by such individual or group, all of which were vested as of [            ].

	Total Options (#)	Options Vested at [            ] (#)	Options that Would Vest as a Result of the Merger (#)
David R. Misch			
Suzanne A. Dondanville			
Joyce N. Kaneda	56,300	56,300	
Nick Zappia			
Richard A. Smith	145,200	145,200	
All Non-Employee Directors (as a group)	210,300	210,300	
<b>Total</b>	<b>411,800</b>	<b>411,800</b>	

*Cancellation and Cash-Out of Director Options.*

PBOC has entered into agreements with its current nonemployee directors, former employee and nonemployee directors and a former consultant, none of whom will be directors of First PacTrust, pursuant to which each individual has agreed not to exercise his or her outstanding options prior to the effective time of the merger and PBOC will pay to the individual for each share covered by his or her options an amount equal to the cash value of the merger consideration (based on a First PacTrust share price of \$12.00 per share for this purpose) minus \$10.00, which is the per share exercise price of the options.

The following sets forth the amount of cash that each individual subject to such agreements would receive, assuming [            ] shares of PBOC common stock outstanding immediately prior to the merger:

Name	No. of Company Options	Cash Consideration for Stock Options
R. Todd Neilson	28,800	
Melanie K. Cook	29,040	
Richard M. Pachulski	65,340	
Andrea L. Rich	10,000	
A. Stuart Rubin	24,040	
Larry Scherzer	5,000	
Bruce H. Spector	29,040	
Gary S. Stiffelman	29,040	
Steven Broidy	140,200	
Charles Kenny	145,200	
Brad Tabach-Bank	5,000	

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**PBOC Restricted Shares.** Each PBOC restricted share will, under its terms, vest in full and become free of all restrictions as of the closing of the merger. At the closing of the merger, the holder of any such PBOC restricted shares will be entitled to receive the merger consideration in respect of each of his or her PBOC restricted shares.

The following table sets forth the number of restricted shares of PBOC common stock that are held by each of the executive officers of PBOC as of [ ]. None of PBOC's non-employee directors held as of such date (or holds as of the date of filing of this registration statement) restricted shares of PBOC common stock.

	<b>Outstanding Restricted Shares of PBOC Common Stock or Rights to Receive Restricted Shares of PBOC Common Stock (#)</b>	<b>Original Vesting Date</b>
David Misch		n/a
Suzanne A. Dondanville	6,000	4/8/15
Joyce N. Kaneda		n/a
Nick Zappia	12,000	8/9/13
Richard A. Smith	13,334	1/1/14
Total	31,334	

*Employment, Change-of-Control, Severance and Retention Agreements and Arrangements with PBOC.*

**Employment Agreements.** PBOC is party to executive employment agreements with David Misch and Richard Smith.

**David Misch Agreement.** The agreement with Mr. Misch provides for a term of three years ending January 4, 2013, and such term has been extended until the closing date of the merger, the termination of the merger agreement, or August 21, 2013, whichever occurs first. Under the agreement, Mr. Misch is entitled to an annual base salary of not less than \$285,000, participation in executive officer incentive compensation plans, an automobile allowance in the amount of \$1,000 per month, medical and life insurance benefits, reimbursement for business expenses, and payment of country or social club dues not to exceed \$9,000 per year, in each case according to the terms and conditions set forth in the agreement. Further, in the event of termination without cause, or if Mr. Misch should leave the employment of the Bank for good reason (each such term as defined in the employment agreement), he will be entitled to a lump-sum cash payment equal to twelve months' base salary in effect on the date of termination and continuation of medical benefits at active employee rates for a period of twelve months.

Mr. Misch's agreement provides for severance payments and other termination benefits upon a qualifying termination of employment after a change in control (as defined in the agreement, which would include the merger). However, in addition to entering into the above-described amendment to his employment agreement, which extended the term of the agreement only through the closing of the merger (if earlier than August 21, 2013), Mr. Misch entered into a new employment agreement with First PacTrust that, upon the effective time of the merger, supersedes his existing employment agreement with PBOC in its entirety. (For a description of the material terms of his employment agreement with First PacTrust, refer to the section below entitled *New Employment and Retention Agreements and Other Arrangements with First PacTrust.*)

**Richard Smith Agreement.** The employment agreement with Mr. Smith provides for a term of three years commencing January 1, 2009, subject to automatic one-year renewal periods unless notice to terminate the agreement is provided at least 180 days prior to the end of the then-current term. This agreement has been automatically extended pursuant to its terms.

The employment agreement provides for an initial base salary of \$325,000 per year, with annual increases in the discretion of the Board of Directors, and an automatic increase of \$4,200 per year, which became effective on

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December 12, 2009 when Mr. Smith purchased the supplemental disability insurance to which he was entitled under the agreement. His agreement also provides for an automobile allowance in the amount of \$1,000 per month, medical and life insurance benefits, reimbursement for business expenses, payment of country or social club dues not to exceed \$18,000 per year, in each case according to the terms and conditions set forth in the agreement.

Mr. Smith's agreement provides for severance payments and other termination benefits upon a qualifying termination of employment after a change in control (as defined in the agreement, which would include the merger). However, Mr. Smith entered into a retention agreement with First PacTrust that, upon the effective time of the merger, supersedes the above-described change-in-control severance provision in his existing employment agreement with PBOC in its entirety. (For a description of the material terms of his retention agreement with First PacTrust, refer to the section below entitled *New Employment and Retention Agreements and Other Arrangements with First PacTrust.* )

**Change in Control Agreements.** The Bank has entered into change in control agreements with Suzanne Dondanville, Joyce Kaneda and Nick Zappia. Under the agreements, upon the termination of the applicable executive's employment without cause within 12 months following a change in control of the Bank (as defined in the agreements, which would include the merger), the executives, subject to their execution of a release of claims, each receive a lump-sum cash payment equal to one times the highest annual cash compensation paid to such officer during the three years preceding the change in control (excluding any signing bonus paid to Ms. Dondanville upon her joining the Bank in 2012) and continuation of medical benefits for a period of twelve months. The payments under the change in control agreements (and any other payments made to the executives in connection with such a change in control of the Bank) are reduced to the applicable executive's safe harbor amount under Sections 280G and 4999 of the Internal Revenue Code if the payment of such amounts would cause the executive's total payments to be subject to the excise tax under Section 4999 of the Internal Revenue Code. Although the Bank previously entered into such change in control agreements with Suzanne Dondanville, Joyce Kaneda and Nick Zappia, each of Mss. Dondanville and Kaneda entered into severance and retention arrangements with PBOC, and Mr. Zappia entered into a retention agreement with First PacTrust, which, upon the effective time of the merger, supersedes the above-described change-in-control severance provisions in their existing agreements with PBOC in their entirety (see discussion below under *Severance and Retention Arrangements Entered into in Connection with the Merger* and *New Employment and Retention Agreements with First PacTrust* ).

**Severance and Retention Arrangements Entered into in Connection with the Merger.** In connection with the merger, PBOC has adopted a severance and retention plan for certain employees, including Suzanne Dondanville and Joyce Kaneda, each of whom is an executive officer of the Bank. David Misch, Richard Smith, and Nick Zappia do not participate in this plan. The plan provides for Mss. Dondanville and Kaneda to each receive an amount equal to 50% of her highest one-year compensation (as defined in their respective change of control agreements, which excludes the signing bonus paid to Ms. Dondanville in 2012) over the past two years, provided the officer continues to be employed by First PacTrust 90 days after the effective time of the merger. Mss. Dondanville and Kaneda is each entitled to receive an additional 50% of her highest one-year compensation (excluding the signing bonus paid to Ms. Dondanville in 2012) plus any unpaid installments of such retention amounts on the earlier of the one-year anniversary of the effective time of the merger and a termination of the officer's employment by First PacTrust other than for cause if such termination occurs within one year after the effective time of the merger. Additionally, the officer is entitled to one year of medical coverage upon a termination of the officer's employment by First PacTrust other than for cause within one year after the effective time of the merger.

Based on compensation and benefit levels in effect on [ ], 2012, and assuming that each PBOC executive officer experiences a qualifying termination of employment upon or after the completion of the merger, each of Misch, Smith, Zappia, Dondanville, and Kaneda would be entitled to receive approximately \$[ ]; \$[ ]; \$[ ]; \$[ ], and \$[ ], respectively, in payments under their respective employment or change in control and severance arrangements.

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### *New Employment and Retention Agreements and Other Arrangements with First PacTrust*

David Misch, Richard Smith, and Nick Zappia, all of whom are executive officers of PBOC, have each entered into agreements to continue working with First PacTrust following the closing.

David Misch, Chief Executive Officer of PBOC, has entered into a three-year employment agreement with First PacTrust that becomes effective upon the completion of the merger. The agreement provides for a title of Executive Vice President and Chief Risk Officer, an annual base salary of \$350,000, a guaranteed minimum bonus of \$100,000 for 2013 subject to continued employment through December 31, 2013, a grant of an option to purchase 100,000 shares of First PacTrust common stock (which options vest in ratable installments on each of the first, second and third anniversaries of the completion of the merger, subject to his continued employment through the applicable vesting date, and in full upon a severance-qualifying termination under the terms of the agreement) and, in the event Mr. Misch either resigns for any reason from January 1, 2014 through June 30, 2014 or incurs a severance-qualifying termination at any time during the term of the agreement, \$250,000 in cash severance paid in installments, and health care continuation cost reimbursements, for 18 months after termination.

Richard Smith and Nick Zappia have each entered into retention agreements with First PacTrust and PBOC that become effective upon the completion of the merger. Each executive's retention agreement supersedes certain provisions of his agreement with PBOC, with certain provisions in each executive's agreement surviving according to their respective terms and conditions. Pursuant to the agreements, each executive is entitled to receive two, equal, lump-sum retention bonus installments (in an aggregate amount of \$404,200 in the case of Mr. Smith and \$280,000 in the case of Mr. Zappia) subject to his continued employment through 90 days and 18 months after the completion of the merger. Upon a qualifying termination of employment after the completion of the merger and prior to the applicable retention bonus payment date, the executive is entitled to receive payment of any unpaid installments. Mr. Smith would also receive upon such a termination a lump-sum payment of the base salary that would have been paid to him through the 18-month anniversary of the completion of the merger had his employment not been terminated. In the case of Mr. Smith, up to 50% of any retention bonus installment (and all of the above-described base salary payment triggered upon a termination) may be paid in the form of shares of First PacTrust common stock, and in the case of Mr. Zappia, such installments may be paid in the form of cash, shares of First PacTrust common stock or a combination of cash and shares of First PacTrust common stock.

Richard Pachulski, a member of the board of directors of PBOC, has agreed to serve as the Chairman of a new Advisory Board to be formed by First PacTrust.

### **Public Trading Markets**

First PacTrust common stock is quoted for trading on the NASDAQ Global Market under the symbol BANC, and PBOC common stock is quoted on the OTC Bulletin Board under the symbol PBCA. Upon completion of the merger, PBOC common stock will no longer be quoted on the OTC Bulletin Board.

Under the merger agreement, First PacTrust will use reasonable best efforts to cause the shares of First PacTrust common stock to be issued in connection with the merger to be quoted on the NASDAQ Global Market, and the merger agreement provides that neither First PacTrust nor PBOC will be required to complete the merger if such shares are not approved for listing, subject to notice of issuance, on the NASDAQ Global Market.

### **First PacTrust's Dividend Policy**

No assurances can be given that First PacTrust will pay any dividends on its common stock or that, if paid, such dividends will not be reduced or eliminated in future periods. Special cash dividends, stock dividends or

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returns of capital may, to the extent permitted by Office of the Comptroller of the Currency and other applicable regulations, be paid in addition to, or in lieu of, regular cash dividends. Dividends from First PacTrust will depend, in large part, upon receipt of dividends from PacTrust Bank, Beach and any other banks which First PacTrust acquires, because First PacTrust will have limited sources of income other than dividends from PacTrust Bank, Beach and other banks it acquires, earnings from the investment of proceeds from the sale of shares of common stock retained by First PacTrust and interest payments with respect to First PacTrust's loan to its Employee Stock Ownership Plan. First PacTrust's board of directors may change its dividend policy at any time, and the payment of dividends by financial holding companies is generally subject to legal and regulatory limitations. For further information, see Comparative Market Prices and Dividends.

**Dissenters' Rights in the Merger**

Any PBOC shareholder wishing to exercise dissenters' rights is urged to consult legal counsel before attempting to exercise dissenters' rights. Failure to comply strictly with all of the procedures set forth in Chapter 13 of the California General Corporation Law, which we refer to as the CGCL, which consists of Sections 1300-1313, may result in the loss of a shareholder's statutory dissenters' rights. In such case, such shareholder will be entitled to receive the merger consideration under the merger agreement.

The following discussion is a summary of Sections 1300-1313 of the CGCL, which sets forth the procedures for PBOC shareholders to dissent from the proposed merger and to demand statutory dissenters' rights of appraisal of their shares under the CGCL. The following discussion is not a complete statement of the provisions of the CGCL relating to the rights of PBOC shareholders to receive payment of the fair market value of their shares and is qualified in its entirety by reference to the full text of Sections 1300-1313 of the CGCL, which are provided in their entirety as Annex C to this proxy statement/prospectus.

All references in Sections 1300-1313 of the CGCL and in this section to a shareholder are to the holder of record of the shares of PBOC common stock as to which dissenters' rights are asserted. A person having a beneficial interest in the shares of PBOC common stock held of record in the name of another person, such as a broker or nominee, cannot enforce dissenters' rights directly and must act promptly to cause the holder of record to follow the steps summarized below properly and in a timely manner to perfect such person's dissenters' rights.

Chapter 13 of the CGCL provides PBOC shareholders who do not vote FOR approval of the merger with the right, subject to compliance with the requirements summarized below, to dissent and demand the payment of, and be paid in cash, the fair market value of the PBOC shares owned by such shareholders as of [ ], the record date for PBOC's special meeting. In accordance with Chapter 13 of the CGCL, the fair market value of PBOC shares will be their fair market value determined as of August 21, 2012, the last day before the first public announcement of the terms of the merger, exclusive of any appreciation or depreciation in the value of the shares in consequence of the merger.

Even though a shareholder who wishes to exercise dissenters' rights may be required to take certain actions following PBOC's special meeting to perfect their dissenters' rights, if the merger agreement is later terminated and the merger is abandoned, no PBOC shareholder will have the right to any payment from PBOC, other than necessary expenses incurred in proceedings initiated in good faith and reasonable attorneys' fees, by reason of having taken that action. The following discussion is subject to the foregoing qualifications.

*Not Vote FOR the Merger*

Any PBOC shareholder who desires to exercise dissenters' rights must not have voted his, her or its shares FOR approval of the merger agreement. If a PBOC shareholder returns a proxy without voting instructions or with instructions to vote FOR approval of the merger agreement, or votes in person at the special meeting FOR approval of the merger agreement, his, her or its shares will be counted as votes in favor of the merger.



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and such shareholder will lose any dissenters' rights. Thus, if you wish to dissent and you execute and return a proxy in the accompanying form, you must specify that your shares are to be voted AGAINST or ABSTAIN with respect to approval of the merger.

### *Notice of Approval by PBOC*

If the merger is approved by the PBOC shareholders, PBOC is required within ten days after the approval to send to those PBOC shareholders who have not voted FOR approval of the merger agreement a written notice of the PBOC shareholder approval, accompanied by a copy of Sections 1300, 1301, 1302, 1303 and 1304 of the CGCL, a statement of the price determined by PBOC to represent the fair market value of the dissenting shares as of August 21, 2012, and a brief description of the procedure to be followed if the shareholder desires to exercise dissenters' right under the CGCL. The statement of price determined by PBOC to represent the fair market value of dissenting shares, as set forth in the notice of approval, will constitute an offer by PBOC to purchase the dissenting shares at the stated price if the merger is completed and the dissenting shares do not otherwise lose their status as such. Within 30 days after the date of the mailing of the notice of shareholder approval, a dissenting shareholder must submit to PBOC or its transfer agent for endorsement as dissenting shares, the stock certificates representing the PBOC shares as to which such shareholder is exercising dissenters' rights. If the dissenting shares are uncertificated, then such shareholder must provide written notice of the number of shares which the shareholder demands that PBOC purchase within 30 days after the date of the mailing of the notice of shareholder approval.

### *Written Demand for Payment*

In addition, to preserve dissenters' rights, a PBOC shareholder must make a written demand for the purchase of the shareholder's dissenting shares and payment to the shareholder of their fair market value within 30 days after the date on which the notice of approval is mailed. Simply failing to vote for, or voting against, the merger does not constitute a proper written demand under the CGCL. To comply with the requirements under the CGCL, the written demand must:

specify the shareholder's name and mailing address and the number and class of shares of PBOC stock held of record which the shareholder demands that PBOC purchase;

state that the shareholder is demanding purchase of the shares and payment of their fair market value; and

state the price which the shareholder claims to be the fair market value of the shares as of August 21, 2012. The statement of fair market value constitutes an offer by the shareholder to sell the shares to PBOC at that price.

Any written demands for payment should be sent to The Private Bank of California, Attention: Secretary, 10100 Santa Monica Boulevard, 25<sup>th</sup> Floor, Los Angeles, California 90067. Shares of PBOC stock held by shareholders who have perfected their dissenters' rights in accordance with Chapter 13 of the CGCL and have not withdrawn their demands or otherwise lost their dissenters' rights are referred to in this summary as dissenting shares.

### *Payment of Agreed Upon Price*

If PBOC and a dissenting shareholder agree that the shares are dissenting shares and agree on the price of the shares, the dissenting shareholder is entitled to receive the agreed upon price with interest at the legal rate on judgments from the date of that agreement. Payment for the dissenting shares must be made within 30 days after the later of the date of that agreement or the date on which all statutory and contractual conditions to the merger are satisfied. Payments are also conditioned on the surrender of the certificates representing the dissenting shares.

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### *Determination of Dissenting Shares or Fair Market Value*

If PBOC denies that shares are dissenting shares or the shareholder fails to agree with PBOC as to the fair market value of the shares, then, within six months after notice of approval of the merger is sent by PBOC to its shareholders, any shareholder demanding purchase of such shares as dissenting shares or any interested corporation may file a complaint in the Superior Court in the proper California county asking the court to determine whether the shares are dissenting shares or to determine the fair market value of the shareholder's shares, or both, or may intervene in any action pending on such complaint. If a complaint is not filed or intervention in a pending action is not made within the specified six month period, the dissenter's rights are lost. If the fair market value of the dissenting shares is at issue, the court will determine, or will appoint one or more impartial appraisers to determine, such fair market value.

### *Maintenance of Dissenting Share Status*

Except as expressly limited by Chapter 13 of the CGCL, holders of dissenting shares continue to have all the rights and privileges incident to their shares until the fair market value of their shares is agreed upon or determined. A holder of dissenting shares may not withdraw a demand for payment unless PBOC consents to the withdrawal.

Dissenting shares lose their status as dissenting shares, and dissenting shareholders cease to be entitled to require PBOC to purchase their shares, upon any of the following:

the merger is abandoned;

the shares are transferred before their submission to PBOC for the required endorsement;

the dissenting shareholder and PBOC do not agree on the status of the shares as dissenting shares or do not agree on the purchase price, but neither PBOC nor the shareholder files a complaint or intervenes in a pending action within six months after PBOC mails a notice that its shareholders have approved the merger; or

with PBOC's consent, the dissenting shareholder withdraws the shareholder's demand for purchase of the dissenting shares. To the extent that the provisions of Chapter 5 of the CGCL (which place conditions on the power of a California corporation to make distributions to its shareholders) prevent the payment to any holders of dissenting shares of the fair market value of the dissenting shares, the dissenting shareholders will become creditors of PBOC for the amount that they otherwise would have received in the repurchase of their dissenting shares, plus interest at the legal rate on judgments until the date of payment, but subordinate to all other creditors of PBOC in any liquidation proceeding, with the debt to be payable when permissible under the provisions of Chapter 5 of the CGCL.

### **Regulatory Approvals Required for the Merger**

Both First PacTrust and PBOC have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Federal Reserve Board, FDIC and the DFI. Notifications and/or applications requesting approval may also be submitted to various other federal and state regulatory authorities and self-regulatory organizations. First PacTrust and PBOC are in the process of filing applications and notifications to obtain the required regulatory approvals. Although we currently believe we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions that will be detrimental to First PacTrust after the completion of the merger or will otherwise cause a burdensome condition.

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### *Federal Reserve Board*

First PacTrust is a bank holding company under Section 3 of the Bank Holding Company Act of 1956, as amended, which we refer to as the BHCA. The primary regulator of First PacTrust is the Federal Reserve Board. Accordingly, the transactions contemplated by the merger agreement are subject to approval by the Federal Reserve Board pursuant to Section 3 of the BHCA. In considering the approval of a transaction such as the merger, the BHCA requires the Federal Reserve Board to review, with respect to the bank holding companies and the banks concerned: (1) the competitive impact of the transaction, (2) the financial condition and future prospects, including capital positions and managerial resources, (3) the convenience and needs of the communities to be served and the record of the insured depository institution subsidiaries of the bank holding companies under the Community Reinvestment Act, (4) the effectiveness of the companies and the depository institutions concerned in combating money laundering activities and (5) the extent to which the proposal would result in greater or more concentrated risks to the stability of the United States banking or financial system. In connection with its review, the Federal Reserve Board will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if they determine such meeting or other proceeding would be appropriate.

Under the Community Reinvestment Act of 1977, which we refer to as the CRA, the Federal Reserve Board must take into account the record of performance of the companies and the depository institutions concerned in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, served by such companies and depository institutions. Depository institutions are periodically examined for compliance with the CRA by their primary federal supervisor and are assigned ratings. In evaluating the record of the performance of an institution in meeting the credit needs of the entire community served by the institution, the Federal Reserve Board considers the institution's record of compliance with the CRA, including the most recent rating assigned by its primary federal supervisor. As of their last respective CRA examinations, each of PBOC and First PacTrust was rated Satisfactory with respect to CRA compliance.

As a BHC, First PacTrust's activities must be limited to banking and activities that are closely-related to banking. Activities that have been determined to be closely related to banking include, among other things, owning a federal savings bank, such as PacTrust Bank. However, the activities of federal thrifts that are held by BHCs are limited to activities and investments that are permissible for a BHC.

In addition to banking activities and activities that are closely related to banking, BHCs are allowed to engage in a broader range of activities through nonbank subsidiaries if they elect, with Federal Reserve Board approval, to become a financial holding company, or FHC. A FHC must be able to demonstrate, on a continuous basis, that the bank and any other depository institution it controls meet regulatory standards for being well-capitalized and well-managed and for adequately serving low- and moderate-income neighborhoods under the CRA. A FHC may engage in financial activities through nonbank subsidiaries, including insurance underwriting, securities dealing and underwriting, financial and investment advisory services and merchant banking. To become a FHC, a BHC must file a declaration with the Federal Reserve Board that it elects to become a FHC. First PacTrust has not determined if or when it may file a declaration with the Federal Reserve to elect to become a FHC, but it could file such a declaration around or after the completion of the merger.

### *Federal Deposit Insurance Corporation*

The prior approval of the FDIC will be required under the federal Bank Merger Act to merge PBOC with and into Beach. In evaluating an application filed under the Bank Merger Act, the FDIC generally considers: (1) the competitive impact of the transaction, (2) financial and managerial resources of the banks party to the bank merger, (3) the convenience and needs of the community to be served and the record of the banks under the Community Reinvestment Act, including their CRA ratings, (4) the banks' effectiveness in combating money-laundering activities and (5) the extent to which the bank merger or mergers would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the FDIC will provide an opportunity for public comment on the application for the bank mergers, and is authorized to hold a public meeting or other proceeding if they determine that would be appropriate.

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### *California Department of Financial Institutions*

The prior approval of the DFI will be required under the California Financial Code to merge PBOC with and into Beach. In reviewing the merger of PBOC with Beach, the DFI will take competitive considerations into account, as well as capital adequacy, quality of management and earnings prospects, in terms of both quality and quantity. The DFI will also take into account the record of performance of the companies and depository institutions concerned in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, served by such companies and depository institutions. The DFI will take into account CRA ratings when considering approval of the proposed transaction. In considering the merger, the California Financial Code also requires the DFI to consider whether the proposed transaction is unfair, unjust or inequitable to the bank being acquired or to its depositors, creditors or shareholders.

### *Regulatory Approvals for the Alternative Structure*

As described elsewhere in this proxy statement/prospectus, the merger agreement provides that if First PacTrust gives written notice to PBOC no later than three business days prior to completion of the merger, First PacTrust may revise the structure of the merger such that PBOC merges with and into PacTrust Bank, with PacTrust Bank as the surviving entity. We refer to this alternative as the alternative structure. The primary regulator of PacTrust Bank is the Comptroller of the Currency, which we refer to as the OCC.

The alternative structure would be subject to the approval by the Federal Reserve Board pursuant to Section 3 of the BHCA. In considering the approval of a transaction such as the alternative structure, the BHCA requires the Federal Reserve Board to review, with respect to the bank holding companies and the depository institutions concerned: (1) the competitive impact of the transaction, (2) the financial condition and future prospects, including capital positions and managerial resources, (3) the convenience and needs of the communities to be served and the record of the insured depository institution subsidiaries of the bank holding companies under the Community Reinvestment Act, (4) the effectiveness of the companies and the depository institutions concerned in combating money laundering activities and (5) the extent to which the proposal would result in greater or more concentrated risks to the stability of the United States banking or financial system. In connection with its review, the Federal Reserve Board will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if they determine such meeting or other proceeding would be appropriate. Under the CRA, the Federal Reserve Board must take into account the record of performance of the companies and the depository institutions concerned in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, served by such companies and depository institutions. As of their last respective CRA examinations, each of PBOC and PacTrust Bank was rated Satisfactory with respect to CRA compliance.

The prior approval of the OCC under the federal Bank Merger Act would also be required to merge PBOC with and into PacTrust Bank. In evaluating an application filed under the Bank Merger Act, the OCC generally considers: (1) the competitive impact of the transaction, (2) the financial and managerial resources of the depository institutions party to the merger, (3) the convenience and needs of the community to be served and the record of the depository institutions under the Community Reinvestment Act, including their CRA ratings, (4) the depository institutions' effectiveness in combating money-laundering activities and (5) the extent to which the depository institution merger or mergers would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the OCC will provide an opportunity for public comment on the application for the bank mergers, and is authorized to hold a public meeting or other proceeding if they determine that would be appropriate.

### *Additional Regulatory Approvals and Notices*

Notifications and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations.

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Neither PBOC nor First PacTrust can assure you that all of the regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of any such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals.

First PacTrust and PBOC believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals on a timely basis. However, neither First PacTrust nor PBOC can assure you that all of the required regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. In addition, there can be no assurance that such approvals will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a materially adverse effect on the financial conditions, results of operations, assets or business of First PacTrust following completion of the merger.

Neither PBOC nor First PacTrust is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

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**THE MERGER AGREEMENT**

*The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

**Structure of the Merger**

Each of PBOC's board of directors, First PacTrust's board of directors and Beach's board of directors has approved the merger agreement. The merger agreement provides for the merger of PBOC with and into Beach, with Beach continuing as the surviving entity in the merger. The merger agreement additionally provides that if First PacTrust gives written notice to PBOC no later than three business days prior to the completion of the merger, First PacTrust may revise the structure of the merger so that PBOC merges with and into PacTrust Bank, with PacTrust Bank as the surviving entity in the merger.

*Merger Consideration*

If the merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) \$24,887,513 in cash, in each case subject to certain adjustments, which we refer to as the merger consideration. The exact number of First PacTrust shares and amount of cash such holder of PBOC common stock will be entitled to receive in the merger will depend on the number of PBOC common shares outstanding on the date the merger is actually completed.

The merger consideration is subject to the following adjustment: if the value of the merger consideration, calculated using \$12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC's tangible common equity as of the last business day of the month before the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related closing expenses) then the cash portion of the merger consideration will be adjusted downward until the total value of the merger consideration is equal to such amount. For the purposes of the merger agreement, PBOC merger-related closing expenses will include any amount paid, payable or reasonably expected to become payable by PBOC (i) for services rendered to PBOC by any attorney, investment banker or other financial advisor, accountant, auditor or other professional services provider in connection with the merger and (ii) pursuant to any change-of-control or assignment provisions of any contract to which PBOC is a party, including, with respect to any directors, officers or employees, any change-of-control, severance, retention, stay or transaction package, bonus or any similar arrangement.

If the number of shares of common stock of First PacTrust changes before the merger is completed as a result of any reclassification, recapitalization, stock split (including a reverse stock split) or subdivision or combination or readjustment of shares, or any stock dividend or stock distribution with a record date during such period, then the merger consideration will be proportionately adjusted.

*Fractional Shares*

First PacTrust will not issue any fractional shares of First PacTrust common stock in the merger. PBOC shareholders who would otherwise be entitled to a fractional share of First PacTrust common stock upon the completion of the merger will instead receive an amount in cash calculated using \$12.00 as the value of one share of First PacTrust common stock.

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### *Surviving Corporation; Governing Documents; Directors and Officers*

At the effective time of the merger, the articles of incorporation and bylaws of Beach in effect immediately prior to the effective time will be the articles of incorporation and bylaws of the surviving corporation after completion of the merger until thereafter amended in accordance with their respective terms and applicable law.

The size and composition First PacTrust's board of directors and Beach's board of directors will not be affected by the merger.

### **Treatment of PBOC Stock Options and Other Equity-Based Awards**

#### *PBOC Options*

The directors and executive officers of PBOC held options to purchase an aggregate of [ ] shares of PBOC common stock as of [ ], 2013. Each PBOC option that is outstanding immediately prior to the completion of the merger will be converted into an option to purchase a number of whole shares of First PacTrust common stock (rounded down to the nearest whole share) equal to the number of shares of PBOC common stock subject to such PBOC option immediately prior to the completion of the merger multiplied by the option exchange ratio at a per-share exercise price (rounded up to nearest whole penny) equal to the per-share exercise price for each such PBOC common share subject to such PBOC option immediately prior to the completion of the merger divided by the option exchange ratio. The First PacTrust options issued in exchange for PBOC options will otherwise be issued on substantially similar aggregate terms and conditions (including with respect to vesting) as applied to each PBOC option immediately prior to the completion of the merger. First PacTrust may convert the PBOC options into options issued pursuant to an existing benefit plan of First PacTrust or its affiliates, so long as such conversion does not materially and adversely affect the holders of the PBOC options and is consistent with the above-described adjustment provisions.

First PacTrust has agreed to file a registration statement with the SEC on an appropriate form to the extent necessary to register First PacTrust common stock issuable upon exercise or conversion of the PBOC options assumed by First PacTrust in the merger.

#### *PBOC Restricted Shares*

Each PBOC restricted share will, under its terms, vest in full and become free of all restrictions as of the closing of the merger. At the closing of the merger, the holder of any such PBOC restricted shares will be entitled to receive the merger consideration in respect of each of his or her PBOC restricted shares.

For further information on the treatment of the PBOC equity or equity-based awards, see *The Merger Interests of PBOC's Directors and Executive Officers in the Merger*.

### **PBOC Preferred Stock**

Each share of Non-Cumulative Perpetual Preferred Stock, Series C, stated liquidation amount \$1,000 per share, of PBOC, which we refer to as the PBOC preferred stock, issued and outstanding immediately prior to the completion of the merger will be converted automatically into one share of preferred stock, par value \$0.01 per share, of First PacTrust, to be designated, prior to the completion of the merger, as Non-Cumulative Perpetual Preferred Stock, Series B, stated liquidation amount \$1,000 per share and otherwise having rights (including with respect to dividends), preferences, privileges and voting powers, and limitations and restrictions that are equivalent to the rights, preferences, privileges and voting powers, and limitations and restrictions of the PBOC preferred stock immediately prior to such conversion, taken as a whole.

### **Closing and Effective Time of the Merger**

The merger will be completed only if all conditions to the merger discussed in this proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived. See *Conditions to Complete the Merger*.

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The merger will become effective when the agreement of merger is accepted for filing by the DFI. The completion of the merger will occur at a time determined by First PacTrust that follows the close of trading on the date that is the later of (1) three business days after the satisfaction or waiver of the last of the conditions specified in the merger agreement, (2) ten business days after the parties receive all regulatory approvals required to complete the merger or (3) another mutually agreed upon date. It currently is anticipated that the completion of the merger will occur during the second quarter of 2013 subject to the receipt of regulatory approvals and other customary closing conditions, but neither PBOC nor First PacTrust can guarantee when or if the merger will be completed.

### **Conversion of Shares; Exchange of Certificates**

The conversion of PBOC common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. Promptly after completion of the merger, the exchange agent will exchange certificates or book-entry shares representing shares of PBOC common stock for the merger consideration to be received pursuant to the terms of the merger agreement.

#### *Letter of Transmittal*

As soon as reasonably practicable after the completion of the merger, the exchange agent will mail appropriate transmittal materials and instructions to those persons who were holders of PBOC common stock immediately prior to the completion of the merger. These materials will contain instructions on how to surrender shares of PBOC common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

If a certificate for PBOC common stock has been lost, stolen or destroyed, the exchange agent will issue the merger consideration properly upon receipt of (1) an affidavit of that fact by the claimant and (2) such bond as First PacTrust may determine is reasonably necessary as indemnity against any claim that may be made against First PacTrust with respect to the certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of PBOC other than to settle transfers of PBOC common stock that occurred prior to the effective time of the merger.

#### *Withholding*

First PacTrust and the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable to any PBOC shareholder the amounts either of them are required to deduct and withhold under any applicable federal, state, local or foreign tax law. If any such amounts are withheld, these amounts will be treated for all purposes of the merger agreement as having been paid to the shareholders from whom they were withheld.

#### *Dividends and Distributions*

Whenever a dividend or other distribution is declared by First PacTrust on First PacTrust common stock, the record date for which is at or after the effective time of the merger, the declaration will include dividends or other distributions on all shares of First PacTrust common stock issuable under the merger agreement, but such dividends or other distributions will not be paid to the holder thereof until such holder has duly surrendered its PBOC stock certificates.

### **Representations and Warranties**

The representations, warranties and covenants described below and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, are solely for the benefit of First



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PacTrust and PBOC, may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those included in confidential disclosures made for the purposes of, among other things, allocating contractual risk between First PacTrust and PBOC rather than establishing matters as facts, and may be subject to standards of materiality that differ from those standards relevant to investors. You should not rely on the representations, warranties, covenants or any description thereof as characterizations of the actual state of facts or condition of First PacTrust, PBOC or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by First PacTrust or PBOC. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#).

The merger agreement contains customary representations and warranties of First PacTrust and PBOC relating to their respective businesses. The representations and warranties in the merger agreement do not survive the effective time of the merger.

The merger agreement contains representations and warranties made by PBOC to First PacTrust relating to a number of matters, including the following:

corporate matters, including due organization and qualification and subsidiaries;

capitalization;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger;

required governmental and other regulatory filings and consents in connection with the merger;

reports to regulatory authorities;

financial statements, internal controls and absence of undisclosed liabilities;

the absence of certain changes or events;

legal proceedings;

tax matters;

employee benefit matters;

labor matters;

compliance with applicable laws;

certain material contracts;

agreements with regulatory authorities;

investment securities;

derivative instruments and transactions;

environmental matters;

insurance matters;

real and personal property;

intellectual property matters;

broker's fees payable in connection with the merger;

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inapplicability of the Investment Company Act of 1940, as amended;

loan matters;

related party transactions;

inapplicability of takeover statutes;

good faith belief that necessary regulatory approvals are obtainable; and

the accuracy of information supplied for inclusion in this proxy statement/prospectus and other similar documents.

The merger agreement contains representations and warranties made by First PacTrust to PBOC relating to a number of matters, including the following:

corporate matters, including due organization and qualification and subsidiaries;

capitalization;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger;

required governmental and other regulatory filings and consents in connection with the merger;

legal proceedings;

the absence of certain changes or events;

reports to regulatory authorities;

financial statements;

compliance with applicable laws;

tax matters;

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broker's fees payable in connection with the merger;

the accuracy of information supplied for inclusion in this proxy statement/prospectus and other similar documents;

ability to pay the cash portion of the merger consideration;

absence of regulatory agreements or enforcement actions; and

good faith belief that necessary regulatory approvals are obtainable.

Certain representations and warranties of First PacTrust and PBOC are qualified as to materiality or material adverse effect. For purposes of the merger agreement, a material adverse effect, when used in reference to First PacTrust or PBOC, means any event, circumstance, development, change or effect that, individually or in the aggregate, (1) prevents or materially impairs, or would be reasonably likely to prevent or materially impair, the ability of the applicable party to timely consummate the merger or any of the other transactions contemplated by the merger agreement or to perform its covenants under the merger agreement or (2) is, or is reasonably likely to be, material and adverse to the business, operations, prospects, condition (financial or otherwise) or results of operations of the applicable party and its subsidiaries, taken as a whole, other than to the extent resulting from:

changes in GAAP, except to the extent that the effects of such changes disproportionately affect the applicable party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which the applicable party operates;

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changes in laws generally applicable to companies in the financial services industry, except to the extent that the effects of such changes disproportionately affect the applicable party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which the applicable party operates;

changes in political or regulatory conditions or general economic or market conditions in the United States or any state or territory thereof, in each case generally affecting other companies in the financial services industry, except to the extent that the effects of such changes disproportionately affect the applicable party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which the applicable party operates;

any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism, except to the extent that the effects of such changes disproportionately affect the applicable party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which the applicable party operates;

failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including any underlying causes thereof, or changes in the trading price of a party's common stock, in and of itself, but not including any underlying causes thereof;

public disclosure of the merger agreement; or

actions or omissions taken with the express prior written consent of the other party.

## **Covenants and Agreements**

### *Conduct of Businesses Prior to the Completion of the Merger*

PBOC has agreed that, prior to the effective time of the merger, it will, and will cause each of its subsidiaries to, conduct its business in the usual, regular and ordinary course consistent with past practice, use reasonable best efforts to preserve intact its business organization, rights, franchises, authorizations issued by government entities and current relationships and take no action that is intended to or would reasonably be expected to adversely affect or materially delay the ability of PBOC or First PacTrust to obtain any required regulatory approvals or to perform their respective obligations under the merger agreement.

Additionally, PBOC has agreed that prior to the effective time of the merger, except as expressly required by the merger agreement or with the prior written consent of First PacTrust, PBOC will not, and will not permit any of its subsidiaries to, subject to certain exceptions, undertake the following actions:

incur indebtedness or guarantee indebtedness of another person, except in the ordinary course of business consistent with past practice;

(1) adjust, split, combine or reclassify any capital stock; (2) set any record or payment dates for any dividends or distributions on its capital stock, make, declare or pay any dividend or distribution (other than regular quarterly cash dividends on PBOC preferred stock consistent with past practice) or redeem, purchase or otherwise acquire any securities or obligations convertible into or exchangeable for any shares of its capital stock; (3) grant any stock appreciation rights, restricted stock units or other equity-based compensation or grant any right to acquire any shares of its capital stock; (4) issue or commit to issue any additional shares of capital stock or sell, lease, transfer, mortgage, encumber or otherwise dispose of any capital stock in any PBOC subsidiary; or (5) enter into any agreement, understanding or arrangement with respect to the sale or voting of its capital stock;

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sell, lease, transfer, mortgage, encumber or otherwise dispose of any of its properties or assets (other than to a subsidiary), except for the sale of loans in the ordinary course of business consistent with past practice;

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acquire direct or indirect control over any business or corporate entity or make any other investment in any person, except in connection with a foreclosure of collateral or conveyance of such collateral in lieu of foreclosure taken in connection with collection of a loan in the ordinary course of business consistent with past practice and with respect to loans made to third parties who are not affiliates of PBOC;

except as required under applicable law or the terms of any PBOC employee benefit plan, (1) enter into, adopt or terminate any employee benefit plan, (2) amend any employee benefit plan in a manner that would result in any increase in cost, (3) increase the compensation or benefits payable to any employee, officer, director or consultant (other than any annual base compensation raises in the ordinary course of business consistent with past practice of not more than 5% per year), (4) grant or accelerate the vesting of any equity-based awards for the benefit of any such individual, (5) enter into any new, or amend any existing, collective bargaining agreement or similar agreement, (6) provide any funding for any rabbi trust or similar arrangement or (7) hire, transfer, promote or terminate the employment of any employee who has a target annual compensation of \$75,000 or more;

settle any claim, action or proceeding other than in the ordinary course of business consistent with past practice involving solely money damages where the settlement payments not covered by insurance do not exceed \$100,000 individually or \$200,000 in the aggregate; waive, compromise, assign, cancel or release any material rights or claims; or agree to any injunction, decree, order or judgment restricting or otherwise affecting its business or operations;

pay, discharge or satisfy any claims, liabilities or obligations, other than in the ordinary course of business and consistent with past practice;

make any change in accounting methods or systems of internal accounting controls, except as required by GAAP as concurred in by PBOC's independent auditors, or revalue in any material respect any of its assets, except as required by GAAP and in the ordinary course of business consistent with past practice;

make, change or revoke any tax election, change an annual tax accounting period, adopt or change any tax accounting method, file any amended tax return, enter into any closing agreement with respect to taxes, or settle any tax claim, audit, assessment or dispute or surrender any right to claim a refund of taxes;

amend its articles of incorporation or bylaws or comparable organizational documents;

materially restructure or materially change its investment securities portfolio or its gap position or the manner in which the portfolio is classified or reported, or invest in any mortgage-backed or mortgage-related securities that would be considered high-risk securities under applicable regulatory pronouncements;

enter into, modify, amend or terminate any material contract, other than in the ordinary course of business consistent with past practice;

change in any material respect its credit policies and collateral eligibility requirements and standards;

fail to use reasonable best efforts to take any action that is required under an agreement with a regulatory authority or take any action that violates such an agreement;

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except as required by applicable law, regulation or policies, enter into any new line of business or change in any material respect its lending, investment, underwriting, risk and asset liability management, interest rate or fee pricing with respect to depository accounts, hedging and other material banking and operating policies or practices;

permit the construction of new structures upon, or purchase or lease any real property in respect of, any branch or other facility, or file any application or take any other action to establish, relocate or terminate the operation of any banking office;



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make, or commit to make, any capital expenditures in excess of \$50,000 individually or \$100,000 in the aggregate;

without previously notifying and consulting with First PacTrust, and except to the extent approved by PBOC and committed to prior to the date of the merger agreement and disclosed to First PacTrust, make or acquire any loan or issue a commitment (or renew or extend an existing commitment) for any loan relationship aggregating in excess of \$1,500,000, or amend or modify in any material respect any existing loan relationship, that would result in total credit exposure to the applicable borrower in excess of \$1,500,000;

take any action that is intended to, would or would be reasonably likely to result in any of the conditions to the completion of the merger not being satisfied or prevent or materially delay the completion of the merger and the other transactions contemplated by the merger agreement, except as may be required by applicable laws;

take any action, or knowingly fail to take any action, that prevents or impedes, or could reasonably be expected to prevent or impede, the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

agree to take, make any commitment to take or adopt any resolutions of PBOC's board of directors in support of, any of the above prohibited actions; or

take any action that would be reasonably likely to result in PBOC merger-related closing expenses in excess of \$2,850,000.

First PacTrust has agreed to a more limited set of restrictions on its business prior to the completion of the merger. Specifically, First PacTrust has agreed that prior to the effective time of the merger, except as expressly contemplated or permitted by the merger agreement or with the prior written consent of PBOC, First PacTrust will not, and will not permit any of its subsidiaries to, subject to certain exceptions, undertake the following actions:

except in connection with the issuance of First PacTrust preferred stock to holders of PBOC preferred stock, amend its articles of incorporation or bylaws or similar governing documents of any of its subsidiaries in a manner that would materially and adversely affect the economic benefits of the merger to the holders of PBOC common stock or that would materially impede First PacTrust's ability to consummate the merger and the other transactions contemplated by the merger agreement;

take any action that is intended to, would or would be reasonably likely to result in any of the conditions to the completion of the merger not being satisfied or prevent or materially delay the completion of the merger and the other transactions contemplated by the merger agreement, except as may be required by applicable laws;

take any action, or knowingly fail to take any action, that prevents or impedes, or could reasonably be expected to prevent or impede, the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; or

agree to take, make any commitment to take or adopt any resolutions of First PacTrust's board of directors in support of, any of the above prohibited actions, except that First PacTrust and its subsidiaries are not prohibited from taking any necessary or appropriate actions in connection with participation in the Small Business Lending Fund of the United States Department of the Treasury.

*Regulatory Matters*

First PacTrust and PBOC have agreed to use their respective reasonable best efforts to take all actions that are necessary, proper or advisable to comply promptly with all legal requirements with respect to the merger and the other transactions contemplated by the merger agreement and to obtain all actions, nonactions, permits,



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consents, authorizations, orders, clearances, waivers or approvals of any regulatory authority required or advisable in connection with the merger and the other transactions contemplated by the merger agreement. First PacTrust and PBOC will use their respective reasonable best efforts to resolve any objections that may be asserted by any regulatory authority with respect to the merger agreement or the merger or the other transactions contemplated by the merger agreement. However, in no event will First PacTrust or Beach be required, and will PBOC and its subsidiaries be permitted (without First PacTrust's written consent), to take any action or agree to any condition or restriction if such action, condition or restriction would have, or would be reasonably likely to have, individually or in the aggregate, a material adverse effect in respect of First PacTrust or PBOC and its subsidiaries, taken as a whole (measured on a scale relative to PBOC and its subsidiaries, taken as a whole), provided that PBOC and its subsidiaries will take such action if requested by First PacTrust and if such condition or restriction is binding on PBOC and its subsidiaries only in the event the merger is completed.

### *Tax Matters*

First PacTrust and PBOC have agreed to use their respective reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code, and to not knowingly take any action that could reasonably be expected to prevent the merger from so qualifying.

### *Employee Matters*

The merger agreement provides that, for the 12-month period immediately after the completion of the merger, First PacTrust will provide to employees of PBOC and its subsidiaries (as a group) who are actively employed as of the completion of the merger employee benefits and compensation opportunities that, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities generally made available to similarly situated employees of First PacTrust (in no event will any such employee be eligible to participate in any closed or frozen plan of First PacTrust or its subsidiaries). The service of PBOC employees prior to the completion of the merger will, to the same extent such service is recognized immediately prior to the completion of the merger under a corresponding PBOC benefit plan in which the applicable employee is eligible to participate immediately prior to the completion of the merger, be treated as service with First PacTrust for purposes of eligibility, participation, vesting and benefit accrual under First PacTrust's employee benefit plans, subject to customary exclusions.

### *D&O Indemnification and Insurance*

The merger agreement provides that after the completion of the merger, First PacTrust and the surviving corporation in the merger will indemnify and hold harmless all present and former directors and officers of PBOC against all liabilities arising out of the fact that such person is or was a director or officer of PBOC if the claim pertains to any matter of fact arising, existing or occurring at or before the effective time of the merger, to the fullest extent permitted by applicable law and PBOC's governing documents.

The merger agreement requires First PacTrust, or the surviving corporation in the merger, to use its reasonable best efforts to maintain for a period of six years after completion of the merger PBOC's existing directors' and officers' liability insurance policy, or policies of at least the same coverage and amounts and containing terms and conditions that are substantially no less advantageous than the current policy (or, with the consent of PBOC prior to the completion of the merger, any other policy), with respect to claims arising from facts or events that occurred prior to the completion of the merger, and covering such individuals who are currently covered by such insurance. However, neither First PacTrust nor the surviving corporation in the merger is required to incur annual premium payments greater than 250% of PBOC's current annual directors and officers' liability insurance premium. In lieu of the insurance described in the preceding sentence, prior to the completion of the merger, First PacTrust or PBOC, with First PacTrust's consent, may obtain a six-year tail prepaid policy providing coverage equivalent to such insurance.

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### *Existing Business Relationships*

PBOC has agreed to use its good faith efforts to ensure that its officers and directors continue their banking relationships with PBOC and, following the completion of the merger, with First PacTrust and its affiliates, to the same extent as existed on the date of the merger agreement.

### *Loan Documentation*

The merger agreement requires PBOC to use all commercially reasonable efforts to fully correct, remedy and otherwise resolve any fact or circumstance known to PBOC that has resulted, or could reasonably be expected to result, in any loan payable to PBOC that (i) is not evidenced by proper loan documentation, (ii) does not represent the valid and legally binding obligation of the loan obligor or (iii) is not enforceable against the loan obligor in accordance with its terms, such that the applicable loan or loan documentation fully complies with the representations and warranties made by PBOC with respect to loans payable to it or its subsidiaries.

### *Certain Additional Covenants*

The merger agreement also contains additional covenants, including covenants relating to the filing of this proxy statement/prospectus, obtaining required consents, the listing of the shares of First PacTrust common stock to be issued in the merger on the NASDAQ Global Market, the provision of a PBOC closing date balance sheet by PBOC, access to information of the other company, public announcements with respect to the transactions contemplated by the merger agreement and the provision of notice to each party on the occurrence of certain events related to the merger, such as any incidence of merger-related litigation against either party or the breach, by either party, of the representations and warranties contained in the merger agreement.

## **PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors**

PBOC has agreed to hold a meeting of its shareholders for the purpose of voting upon approval of the merger agreement as promptly as practicable. PBOC will use its reasonable best efforts to obtain from its shareholders the requisite shareholder approval of the merger agreement, including by recommending that its shareholders approve and adopt the merger agreement (subject to the provisions governing making a change in PBOC's recommendation as described below).

The board of directors of PBOC has agreed to recommend that PBOC's shareholders vote in favor of approval of the merger agreement and to not withdraw or modify such recommendation in any manner adverse to First PacTrust (which we refer to as a change in PBOC's recommendation), except that PBOC's board of directors may effect a change in PBOC's recommendation if and only to the extent that:

PBOC has received an unsolicited bona fide acquisition proposal (as described below) that constitutes a superior proposal (as described below), and PBOC's board of directors determines in good faith, after receiving the advice of outside legal counsel, that PBOC's board of directors would be in violation of its fiduciary duties under applicable laws if it failed to effect a change in PBOC's recommendation;

PBOC has given at least five business days' written notice to First PacTrust of its intention to effect a change in PBOC's recommendation absent modification of the terms and conditions of the merger agreement;

if applicable, after giving effect to any amendments to the merger agreement proposed by First PacTrust, such acquisition proposal continues to constitute a superior proposal; and

PBOC complies with its non-solicitation obligations described below in *Agreement Not to Solicit Other Offers* and its obligations with respect to calling shareholder meetings and acquisition proposals described in this section.

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In the event of any material revisions to the superior proposal, PBOC will be required to deliver a new written notice to First PacTrust five business days in advance of its intention to effect a change in PBOC's recommendation and to comply with the other requirements described above.

The merger agreement requires PBOC to submit the merger agreement to a shareholder vote even if PBOC's board of directors effects a change in PBOC's recommendation.

If an acquisition proposal has been made known to the PBOC shareholders and thereafter the PBOC shareholders do not approve the merger at the PBOC shareholder meeting, if during the 10 business-day period following the failed shareholder vote First PacTrust proposes revised terms and conditions of the merger agreement that are no less favorable from a financial point of view to PBOC shareholders than the acquisition proposal, PBOC is obligated to resubmit the revised merger agreement to its shareholders at a second shareholder meeting (and to comply with the other requirements described above as if such second shareholder meeting was treated as the first shareholder meeting), except that PBOC will not be obligated to submit the revised merger agreement to its shareholders at a second shareholder meeting if:

PBOC's board of directors effected a change in PBOC's recommendation prior to the first shareholder meeting;

assuming the merger agreement was amended to reflect all adjustments to the terms and conditions proposed by First PacTrust during the 10 business-day period following the failed shareholder vote at the first shareholder meeting, the acquisition proposal would continue to constitute a superior proposal; and

PBOC complies with its non-solicitation obligations described below in Agreement Not to Solicit Other Offers and its obligations with respect to calling shareholder meetings and acquisition proposals described in this section.

For purposes of the merger agreement:

an acquisition proposal means any inquiries or proposals regarding any merger, share exchange, consolidation, sale of assets, sale of shares of capital stock (including, by way of a tender offer) or similar transactions involving PBOC or any of its subsidiaries that, if consummated, would constitute an alternative transaction (as described below);

an alternative transaction means (1) any transaction pursuant to which any person (or group of persons) other than First PacTrust or its affiliates acquires or would acquire more than 20% of the outstanding shares of PBOC common stock or outstanding voting power of PBOC, or more than 20% of the outstanding shares or voting power of any other series or class of capital stock of PBOC that would be entitled to a class or series vote with respect to the merger, whether from PBOC or pursuant to a tender offer or exchange offer or otherwise, (2) a merger, share exchange, consolidation or other business combination involving PBOC (other than the merger), (3) any transaction pursuant to which any person (or group of persons) other than First PacTrust or its affiliates acquires or would acquire control of assets (including for this purpose the outstanding equity securities of any PBOC subsidiaries and securities of the entity surviving any merger or business combination involving any PBOC subsidiary) of PBOC or any of its subsidiaries representing more than 20% of the fair market value of all the assets, deposits, net revenues or net income of PBOC and its subsidiaries, taken as a whole, immediately prior to such transaction or (4) any other consolidation, business combination, recapitalization or similar transaction involving PBOC or any of its subsidiaries, other than the transactions contemplated by the merger agreement, as a result of which the holders of shares of PBOC common stock immediately prior to such transaction do not, in the aggregate, own at least 80% of each of the outstanding shares of PBOC common stock and the outstanding voting power of the surviving or resulting entity in such transaction immediately following the completion of the transaction, in substantially the same proportion as such holders held the shares of PBOC common stock immediately prior to the completion of such transaction; and

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superior proposal means a bona fide, unsolicited written acquisition proposal that (1) is obtained not in breach of the merger agreement for all of the outstanding shares of PBOC common stock, on terms that PBOC's board of directors determines in its good faith judgment (after consultation with outside counsel and a financial advisor of nationally recognized reputation and after taking into account all the terms and conditions of the acquisition proposal and the merger agreement (including any proposal by First PacTrust to adjust the terms and conditions of the merger agreement), including any break-up fees, expense reimbursement provisions, conditions to and expected timing and risks of completion, the form of consideration offered and the ability of the party making such proposal to obtain financing for such acquisition proposal, and after taking into account all other legal, financial, strategic, regulatory and other aspects of such proposal, including the identity of the party making such proposal, and the merger agreement) are more favorable from a financial point of view to PBOC shareholders than the merger, (2) is reasonably likely to receive all necessary regulatory approvals and be completed and (3) does not contain any condition to closing or similar contingency related to the ability of the party making such proposal to obtain financing.

**Agreement Not to Solicit Other Offers**

PBOC also has agreed that it will not, and will cause each of its subsidiaries and its and their respective officers, directors, employees, agents and representatives not to, directly or indirectly:

solicit, initiate, encourage or facilitate (including by furnishing information) any acquisition proposal;

participate in any discussions or negotiations regarding an alternative transaction or acquisition proposal; or

enter into any agreement regarding any alternative transaction or acquisition proposal.

However, if prior to the approval of the merger agreement by PBOC shareholders, (1) PBOC receives a superior proposal that was not solicited by PBOC and that did not otherwise result from a breach of the merger agreement, (2) PBOC's board of directors determines in its good faith judgment (after receiving the advice of outside counsel) that a failure to participate in discussions or negotiations with, or provide information to, the person making the superior proposal would violate PBOC's board of directors' fiduciary duties under applicable laws and (3) PBOC gives at least five business days' notice to First PacTrust, PBOC's board of directors may:

furnish information with respect to it and its subsidiaries to the party making the superior proposal pursuant to a customary confidentiality agreement containing terms no less restrictive to the party making the superior proposal than the terms contained in PBOC's confidentiality agreement with First PacTrust; and

participate in discussions regarding the superior proposal.

PBOC has also agreed to provide First PacTrust written notice within one business day following the receipt of any acquisition proposal, material modification to any acquisition proposal or request for nonpublic information or access to PBOC's or its subsidiaries' properties, books or records by any person that has made or, to PBOC's knowledge, may be considering making, an acquisition proposal. The notice will indicate the identity of the person making the acquisition proposal or requesting nonpublic information or access and the material terms of the acquisition proposal or modification to an acquisition proposal.

PBOC and its subsidiaries have agreed to (1) immediately cease and cause to be terminated any existing discussions or negotiations conducted with any third party with respect to any alternative transaction or acquisition proposal, (2) enforce and not release any third party from the confidentiality and standstill provisions of any agreement to which PBOC or its subsidiaries is a party and (3) immediately terminate any approval previously given under any such provisions authorizing any person to make an acquisition proposal.

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The merger agreement provides that the above-described restrictions on PBOC do not prohibit PBOC or PBOC's board of directors from issuing a stop, look and listen communication pursuant to Rule 14d-9(f) under the Securities Exchange Act of 1934, as amended, or from complying with Rules 14d-9 and 14e-2(a)(2)-(3) promulgated under the Exchange Act.

### **Conditions to Complete the Merger**

First PacTrust's and PBOC's respective obligations to complete the merger are subject to the fulfillment or waiver of the following conditions:

the approval of the merger agreement by PBOC's common shareholders;

the approval of the merger agreement by PBOC's preferred shareholders, provided that if such approval is not obtained by the date that is six weeks following the date on which all other closing conditions are satisfied or waived, First PacTrust will use reasonable best efforts to, as promptly as practicable and to the extent permitted by applicable law and the terms of the PBOC preferred stock, arrange for the redemption, repurchase or repayment of the PBOC preferred stock for cash;

the receipt of required regulatory approvals without a condition or restriction that would have, or would be reasonably likely to have, individually or in the aggregate, a material adverse effect in respect of First PacTrust or PBOC and its subsidiaries, taken as a whole (measured on a scale relative to PBOC and its subsidiaries, taken as a whole), and the expiration or termination of all related statutory waiting periods;

the absence of any order, injunction, decree or judgment by any court or governmental body or agency of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger or the other transactions contemplated by the merger agreement;

the listing of the First PacTrust common stock to be issued in the merger on the NASDAQ Global Market, subject to official notice of issuance;

the effectiveness of the registration statement of which this proxy statement/prospectus is a part with respect to the First PacTrust common stock to be issued in the merger under the Exchange Act, and the absence of any stop order or proceedings threatened by the SEC for that purpose;

the accuracy of the representations and warranties of each other party in the merger agreement as of the closing date of the merger, subject to the materiality standards provided in the merger agreement and the performance of the other party in all material respects of all obligations required to be performed by it at or prior to the effective time of the merger under the merger agreement (and the receipt by each party of certificates from the other party to such effects); and

receipt by each of First PacTrust and PBOC of an opinion of legal counsel as to certain tax matters.

First PacTrust's obligations to complete the merger are further subject to the receipt of a balance sheet from PBOC setting forth the assets, liabilities and tangible common equity of PBOC and its subsidiaries as of close of business on the last business day of the month preceding the month in which the merger is completed.

Neither PBOC nor First PacTrust can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this proxy statement/prospectus, neither PBOC nor First PacTrust has reason to believe that any of these conditions will not be satisfied.

**Termination of the Merger Agreement**

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

the merger has not been completed by May 21, 2013 (if the failure to complete the merger by that date is not caused by the terminating party's breach of the merger agreement), which we refer to as the end date;



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any required regulatory approval has been denied by the relevant regulatory authority and this denial has become final and nonappealable, or a regulatory authority has issued a final, nonappealable injunction permanently enjoining or otherwise prohibiting the completion of the merger or the other transactions contemplated by the merger agreement;

there is a breach by the other party that would cause the failure of the closing conditions described above, and the breach is not cured prior to the earlier of May 21, 2013 and 30 business days following written notice of the breach; or

PBOC shareholders fail to approve the merger agreement at the shareholder meeting, and PBOC is not obligated to resubmit the merger agreement to its shareholders for approval at a second shareholder meeting as described above in PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors, or the merger agreement is resubmitted to PBOC shareholders at a second shareholder meeting and the PBOC shareholders fail to approve the merger agreement at such shareholder meeting.

In addition, First PacTrust may terminate the merger agreement in the following circumstances:

PBOC shareholders fail to approve the merger agreement at the shareholder meeting (regardless of whether or not PBOC is obligated to resubmit the merger agreement to its shareholders for approval at a second shareholder meeting as described above in PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors );

PBOC's board of directors fails to recommend to the PBOC shareholders that they approve the merger agreement or withdraws, modifies or qualifies such recommendation in a manner adverse to First PacTrust;

PBOC's board of directors fails to reaffirm its recommendation of the merger within 10 business days after the public announcement of an acquisition proposal (or material modification thereto);

PBOC's board of directors breaches its non-solicitation obligations described above in Agreement Not to Solicit Other Offers or its obligations with respect to calling shareholder meetings and acquisition proposals described above in PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors ;

PBOC's board of directors approves, recommends or endorses an alternative transaction or acquisition proposal; or

required regulatory approvals have been obtained, but with materially burdensome conditions being imposed on First PacTrust. A materially burdensome condition is one that would have a material adverse effect on First PacTrust or on PBOC, in each case measured on a scale relative to PBOC.

### **Effect of Termination**

If the merger agreement is terminated, it will become void, except that (1) both First PacTrust and PBOC will remain liable for any willful and material breach of the merger agreement and (2) designated provisions of the merger agreement will survive the termination, including those relating to payment of fees and expenses and the confidential treatment of information.

### **Termination Fee**

PBOC will pay First PacTrust a \$2 million termination fee in the following circumstances:

if the merger agreement is terminated by First PacTrust in the following circumstances:

PBOC's board of directors fails to recommend to the PBOC shareholders that they approve the merger agreement or withdraws, modifies or qualifies such recommendation in a manner adverse to First PacTrust;

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PBOC's board of directors fails to reaffirm its recommendation of the merger within 10 business days after the public announcement of an acquisition proposal (or material modification thereto);

PBOC's board of directors breaches its non-solicitation obligations described above in Agreement Not to Solicit Other Offers or its obligations with respect to calling shareholder meetings and acquisition proposals described above in PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors ;

PBOC's board of directors approves, recommends or endorses an alternative transaction or acquisition proposal; or

PBOC shareholders fail to approve the merger agreement at the shareholder meeting and PBOC completes or agrees to an alternative transaction within 12 months of the date of such shareholder meeting.

if the merger agreement is terminated by First PacTrust or PBOC in the following circumstances:

an acquisition proposal or intent to make an acquisition proposal is made known to PBOC or its shareholders after the date of the merger agreement; thereafter the merger agreement is terminated by (1) First PacTrust or PBOC because the merger has not been completed by the end date and PBOC's shareholders have not approved the merger agreement or (2) First PacTrust following an uncured breach by PBOC that would cause the failure of the closing conditions described in the penultimate bullet of Conditions to Complete the Merger ; and PBOC completes or agrees to an alternative transaction (for purposes of determining whether a termination fee is payable, substituting 40% in place of reference to 20% and 60% in place of reference to 80% in the definition of an alternative transaction ) within 12 months of the date the merger agreement is terminated;

PBOC shareholders fail to approve the merger agreement at the shareholder meeting, and PBOC is not obligated to resubmit the merger agreement to its shareholders for approval at a second shareholder meeting as described above in PBOC Shareholder Meeting and Recommendation of PBOC's Board of Directors ; or

the merger agreement is resubmitted to PBOC shareholders at a second shareholder meeting and the PBOC shareholders fail to approve the merger agreement at such shareholder meeting and PBOC completes or agrees to an alternative transaction within 12 months of the date of such shareholder meeting.

If PBOC is required to pay a termination fee, PBOC also will be obligated to reimburse First PacTrust for all of its out-of-pocket expenses incurred in connection with the merger agreement and the transactions contemplated thereby, including fees and expenses of accountants, financial advisors and attorneys.

### **Expenses and Fees**

Except as set forth above, each of First PacTrust and PBOC will be responsible for all costs and expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement.

### **Amendment, Waiver and Extension of the Merger Agreement**

Subject to applicable law, First PacTrust and PBOC may amend the merger agreement by written agreement. However, after any approval of the merger agreement by PBOC's shareholders, there may not be, without further approval of PBOC's shareholders, any amendment of the merger agreement that requires further approval under applicable law.



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At any time prior to the effective time of the merger, each party, to the extent legally allowed, may extend the time for the performance of any of the obligations or other acts of the other party; waive any inaccuracies in the representations and warranties of the other party; and waive compliance by the other party with any of the agreements and conditions contained in the merger agreement.

### **Voting Agreements**

In connection with entering into the merger agreement, First PacTrust entered into a voting and support agreement with each of the directors of PBOC, as well as Suzanne A. Dondaville, Executive Vice President and Chief Operations Officer of PBOC; Joyce N. Kaneda, Executive Vice President and Chief Financial Officer of PBOC; Nick Zappia, Executive Vice President of PBOC; Scott Eisner, as trustee of certain trusts owning PBOC common stock; and Isaac Pachulski, which we refer to collectively as the voting agreements. The following summary of the voting agreements is subject to, and qualified in its entirety by reference to, the form of voting agreement attached to this proxy statement/prospectus as Annex D.

Pursuant to the voting agreements, each shareholder party to a voting agreement agreed to vote its shares of PBOC common stock:

in favor of approval of the merger agreement;

in favor of each of the other actions contemplated by the merger agreement;

in favor of any proposal to adjourn or postpone any shareholder meeting to a later date if there are not sufficient votes for approval of the merger agreement on the date on which such shareholder meeting is held;

in favor of any action in furtherance of any of the foregoing;

against any action or agreement that is intended, or could be reasonably expected to, result in a breach of any representation, warranty, covenant or obligation of PBOC in the merger agreement or impair the ability of PBOC to complete the merger or that would otherwise be inconsistent with, prevent, impede or delay the completion of the merger;

against any agreement, transaction or proposal that relates to an acquisition proposal or alternative transaction, other than the merger and the other transactions contemplated by the merger agreement; and

against any reorganization, recapitalization, dissolution or liquidation of PBOC or any of its subsidiaries or any amendment or other change in PBOC's governing documents, except to the extent specifically provided in the merger agreement or approved in writing by First PacTrust.

The voting agreements provide that each shareholder party to a voting agreement will not, other than pursuant to the merger, directly or indirectly:

sell (including short sell), transfer, pledge, assign, tender, encumber, grant a participation interest in, hypothecate or otherwise dispose of (including by gift) any of such shareholder's shares of PBOC common stock; or

enter into any contract or understanding providing for any action described in the preceding bullet.

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The voting agreements will terminate upon the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms.

As of [ ], the record date for the special meeting, the shareholders that are party to the voting agreements beneficially own an aggregate of approximately [ ] outstanding shares of PBOC common stock, which represent approximately [ ]% of the shares of PBOC common stock entitled to vote at the special meeting.

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**ACCOUNTING TREATMENT**

The merger will be accounted for as an acquisition by First PacTrust using the acquisition method of accounting. Accordingly, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of PBOC as of the effective time of the merger will be recorded at their respective fair values and added to those of First PacTrust. Any excess of purchase price over the fair values is recorded as goodwill. Consolidated financial statements of First PacTrust issued after the merger would reflect these fair values and would not be restated retroactively to reflect the historical financial position or results of operations of PBOC.

**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

The following is a general discussion of the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of PBOC common stock. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings and decisions, all as in effect as of the date of this proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, and any state, local or foreign tax consequences, nor does it address any U.S. federal tax considerations other than those pertaining to the U.S. federal income tax.

The following discussion applies only to U.S. holders of shares of PBOC common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodities or foreign currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks and certain other financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders liable for the alternative minimum tax, partnerships or other pass-through entities or investors in partnerships or such other pass-through entities, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, former citizens or residents of the United States, U.S. expatriates, holders whose functional currency is not the U.S. dollar, holders who hold shares of PBOC common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment, holders who acquired PBOC common stock pursuant to the exercise of employee stock options, through a tax qualified retirement plan or otherwise as compensation, or holders who exercise appraisal rights).

For purposes of this discussion, the term U.S. holder means a beneficial owner of PBOC common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source.

The U.S. federal income tax consequences to a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds PBOC common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding PBOC common stock should consult their own tax advisors.

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**Holders of PBOC common stock should consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws.**

### **Tax Consequences of the Merger Generally**

#### *Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders*

The parties intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. It is a condition to the obligation of First PacTrust to complete the merger that First PacTrust receive an opinion from Wachtell, Lipton, Rosen & Katz, dated the date the merger is completed, substantially to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the obligation of PBOC to complete the merger that PBOC receive an opinion from Katten, Muchin Rosenman LLP, dated the date the merger is completed, substantially to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on representation letters provided by First PacTrust and PBOC and on customary factual assumptions. Neither of the opinions described above will be binding on the Internal Revenue Service, which we refer to as the IRS. First PacTrust and PBOC have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below.

Provided the merger is treated for U.S. federal income purposes as a reorganization within the meaning of Section 368(a) of the Code, upon the exchange of its shares of PBOC common stock for a combination of First PacTrust common stock and cash (other than cash received in lieu of a fractional share of First PacTrust common stock), a U.S. holder generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the First PacTrust common stock received, minus the adjusted tax basis of the PBOC common stock surrendered in exchange therefor and (2) the amount of cash received by the holder. If a U.S. holder of PBOC common stock acquired different blocks of PBOC common stock at different times or different prices, the holder should consult its tax advisor regarding the manner in which gain or loss should be recognized. Any recognized gain generally will be long-term capital gain if, as of the date the merger is completed, the U.S. holder's holding period with respect to the PBOC common stock surrendered exceeds one year. Long-term capital gains of certain non-corporate U.S. holders, including individuals, are generally subject to U.S. federal income tax at preferential rates. The aggregate tax basis of the First PacTrust common stock received (including any fractional shares deemed received and exchanged for cash) by a U.S. holder that exchanges its shares of PBOC common stock for a combination of First PacTrust common stock and cash will be equal to the aggregate adjusted tax basis of the shares of PBOC common stock surrendered, reduced by the amount of cash received by the holder (excluding any cash received in lieu of a fractional share of First PacTrust common stock) and increased by the amount of gain, if any, recognized by the holder (excluding any gain recognized with respect to cash received in lieu of a fractional share of First PacTrust common stock). The holding period of the First PacTrust common stock received (including any fractional share deemed received and exchanged for cash) will include the holding period of the PBOC common stock surrendered.

#### *Cash Instead of Fractional Shares*

A U.S. holder who receives cash instead of a fractional share of First PacTrust common stock will be treated as having received such fractional share pursuant to the merger and then as having received cash in exchange for such fractional shares. Gain or loss generally will be recognized based on the difference between the amount of cash received instead of the fractional share and the tax basis allocated to such fractional share of First PacTrust common stock. Such gain or loss generally will be long-term capital gain or loss if, as of the date the merger is completed, the holding period for the fractional share (including the holding period for the shares of PBOC common stock surrendered therefor) exceeds one year. Long-term capital gains of certain non-corporate U.S. holders, including individuals, are generally subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.



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**Information Reporting and Backup Withholding**

Cash payments received in the merger may, under certain circumstances, be subject to information reporting and backup withholding (currently at a rate of 28%), unless the holder provides proof of an applicable exemption or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not an additional tax and will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

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**DESCRIPTION OF CAPITAL STOCK OF FIRST PACTRUST**

*As a result of the merger, PBOC shareholders who receive shares of First PacTrust common stock in the merger will become shareholders of First PacTrust. Your rights as shareholders of First PacTrust will be governed by Maryland law and the articles of incorporation and the amended and restated bylaws of First PacTrust. The following briefly summarizes the material terms of First PacTrust common stock and preferred stock. We urge you to read the applicable provisions of the Maryland General Corporation Law (which we refer to as the MGCL), First PacTrust's articles of incorporation and bylaws and federal law governing bank holding companies carefully and in their entirety. Copies of First PacTrust's governing documents have been filed with the SEC. To find out where copies of these documents can be obtained, see [Where You Can Find More Information](#).*

**Authorized Capital Stock**

First PacTrust's authorized capital stock consists of 200,000,000 shares of common stock, par value \$0.01 per share, of which 3,136,156 shares are classified as Class B Non-voting Common Stock, and 50,000,000 shares of preferred stock, par value \$0.01 per share, of which 32,000 shares are classified as Senior Non-Cumulative Perpetual Preferred Stock, Series A. As of the record date, there were [ ] shares of First PacTrust common stock outstanding, excluding [ ] shares of Class B Nonvoting Common Stock outstanding, 32,000 shares of First PacTrust preferred stock outstanding and warrants to purchase [ ] shares of First PacTrust common stock outstanding.

**Common Stock**

*Dividend Rights*

First PacTrust can pay dividends if, as and when declared by First PacTrust's board of directors, subject to compliance with limitations imposed by law. The holders of First PacTrust common stock will be entitled to receive and share equally in these dividends as they may be declared by First PacTrust's board of directors out of funds legally available for such purpose. If First PacTrust issues additional preferred stock, the holders of such additional preferred stock may have a priority over the holders of the common stock with respect to dividends.

*Voting Rights*

Each holder of First PacTrust common stock other than Class B Non-Voting Common Stock will be entitled to one vote per share and will not have any right to cumulate votes in the election of directors. Directors will be elected by a plurality of the shares actually voting on the matter. Under certain circumstances, shares in excess of 10% of the issued and outstanding shares of common stock may be considered excess shares and, accordingly, not be entitled to vote. If First PacTrust issues additional preferred stock, holders of such additional preferred stock may also possess voting rights.

*Liquidation Rights*

In the event of liquidation, dissolution or winding up of First PacTrust, whether voluntary or involuntary, the holders of First PacTrust common stock would be entitled to receive, after payment or provision for payment of all its debts and liabilities, and payment or provision for payment of all required distributions with respect to outstanding shares of preferred stock, all of the assets of First PacTrust available for distribution. If additional preferred stock is issued, the holders thereof may have a priority over the holders of the common stock in the event of liquidation or dissolution.

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*Preemptive Rights*

Holders of the common stock of First PacTrust will not be entitled to preemptive rights with respect to any shares which may be issued. Preemptive rights are the priority right to buy additional shares if First PacTrust issues more shares in the future. Therefore, if additional shares are issued by First PacTrust without the opportunity for existing shareholders to purchase more shares, a shareholder's ownership interest in First PacTrust may be subject to dilution. The common stock is not subject to redemption.

For more information regarding the rights of holders of First PacTrust common stock, see *Comparison of Shareholders' Rights*.

**Preferred Stock**

First PacTrust's articles of incorporation permit First PacTrust's board of directors to issue up to 50,000,000 shares of preferred stock in one or more series, with such designations, titles, voting powers, preferences and rights and such qualifications, limitations and restrictions as may be fixed by First PacTrust's board of directors without any further action by First PacTrust shareholders. The issuance of preferred stock could adversely affect the rights of holders of common stock.

On August 30, 2011, in conjunction with the Small Business Lending Fund program of the United States Department of the Treasury, First PacTrust issued 32,000 shares of First PacTrust's Senior Non-Cumulative Perpetual Preferred Stock, Series A to the United States Department of the Treasury.

**Table of Contents****COMPARISON OF SHAREHOLDERS' RIGHTS**

*If the merger is completed, in addition to cash consideration, holders of PBOC common stock will receive shares of First PacTrust common stock in exchange for their shares of PBOC common stock. PBOC is organized under the laws of the State of California and First PacTrust is organized under the laws of the State of Maryland. The following is a summary of the material differences between (1) the current rights of PBOC shareholders under the CGCL and PBOC's articles of incorporation and bylaws and (2) the current rights of First PacTrust shareholders under the MGCL and First PacTrust's articles of incorporation and bylaws.*

*First PacTrust and PBOC believe that this summary describes the material differences between the rights of holders of First PacTrust common stock as of the date of this proxy statement/prospectus and the rights of holders of PBOC common stock as of the date of this proxy statement/prospectus; however, it does not purport to be a complete description of those differences. Copies of First PacTrust's governing documents have been filed with the SEC. To find out where copies of these documents can be obtained, see [Where You Can Find More Information](#).*

**Authorized Capital Stock***First PacTrust*

First PacTrust's articles of incorporation authorize it to issue up to 200,000,000 shares of common stock, par value \$0.01 per share, of which 3,136,156 shares are classified as Class B Nonvoting Common Stock, and 50,000,000 shares of preferred stock, par value \$0.01 per share, of which 32,000 shares are classified as Senior Non Cumulative Perpetual Preferred Stock, Series A. As of the record date, there were [ ] shares of First PacTrust common stock outstanding, excluding [ ] shares of Class B Nonvoting Common Stock outstanding, 32,000 shares of First PacTrust preferred stock outstanding and warrants to purchase [ ] shares of First PacTrust common stock outstanding.

*PBOC*

PBOC's articles of incorporation authorize PBOC to issue up to 20,000,000 shares of common stock, no par value, and 10,000,000 shares of preferred stock, no par value. As of the record date, there were [ ] shares of PBOC common stock outstanding and 10,000 shares of PBOC preferred stock outstanding.

**Voting Limitations***First PacTrust*

First PacTrust's articles of incorporation generally prohibit any shareholder that beneficially owns more than 10% of the outstanding shares of First PacTrust common stock from voting shares in excess of this limit.

The MGCL contains a control share acquisition statute that, in general terms, provides that where a shareholder acquires issued and outstanding shares of a corporation's voting stock (referred to as control shares) within one of several specified ranges (one-tenth or more but less than one-third, one-third or more but less than a majority or a majority or more), approval of the control share acquisition by the corporation's shareholders must be obtained before the acquiring shareholder may vote the control shares. The required shareholder vote is two-thirds of all votes entitled to be cast, excluding interested shares, defined as shares held by the acquiring person, officers of the corporation and employees who are also directors of the corporation. A corporation may, however, opt-out of the control share statute through a charter or bylaw provision, which First PacTrust has done pursuant to its articles of incorporation. Accordingly, the Maryland control share acquisition statute does not apply to acquisitions of shares of First PacTrust common stock. Although not anticipated, First PacTrust could seek shareholder approval of an amendment to its articles of incorporation to eliminate the opt-out provision. See [Amendments to Articles of Incorporation and Bylaws](#).

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### *PBOC*

PBOC's articles of incorporation and bylaws do not limit the number of shares held by a shareholder that may be voted by such shareholder.

### **Size of Board of Directors**

#### *First PacTrust*

First PacTrust's bylaws provide that its board of directors shall consist of a number of directors to be fixed from time to time by the approval of the board of directors or by an amendment to the articles of incorporation. First PacTrust's board of directors currently has six directors.

### *PBOC*

PBOC's bylaws provide that its authorized number of directors shall be between seven and thirteen with the exact number of directors to be fixed from time to time by the approval of the board of directors or by an amendment to the articles of incorporation or bylaws approved by the holders of a majority of the outstanding shares of PBOC common stock entitled to vote. PBOC's board of directors currently is fixed at eight directors. So long as at least \$25,000,000 of PBOC's Series C preferred stock remain outstanding and if PBOC fails to pay dividends for six quarters, whether or not consecutive, the number of authorized directors shall be increased by two and the preferred shareholders shall have the right to elect the two directors at the next annual meeting.

### **Cumulative Voting**

#### *First PacTrust*

First PacTrust shareholders do not have the right to cumulate their votes with respect to the election of directors.

### *PBOC*

PBOC's bylaws provide that PBOC shareholders may cumulate their votes in the election of directors, provided that such director candidate's or candidates' names have been placed in nomination prior to voting and such shareholder has given notice prior to the vote of the shareholder's intention to cumulate his or her votes. If any shareholder has given such notice, all shareholders may cumulate their votes for nominated candidates. The candidates receiving the highest number of votes will be elected as directors.

### **Classes of Directors**

#### *First PacTrust*

First PacTrust's board of directors is divided into three classes, as nearly equal in number as reasonably possible, with each class of directors serving for successive three-year terms so that each year the term of only one class of directors expires.

### *PBOC*

PBOC does not have a classified board of directors, and all directors are elected annually.

### **Removal of Directors**

#### *First PacTrust*

Directors may be removed, but only for cause, by the affirmative vote of holders of 80% of the combined voting power of the outstanding shares of First PacTrust capital stock entitled to vote in the election of directors, subject to the rights of any holders of preferred stock.

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### *PBOC*

PBOC's bylaws provide that directors may be removed without cause by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote, except that no individual director may be removed when the votes cast against such director's removal would be sufficient to elect that director if voted cumulatively at an election at which the same total number of votes cast were cast and all directors were then being elected.

### **Filling Vacancies on the Board of Directors**

#### *First PacTrust*

First PacTrust's articles of incorporation and bylaws provide that vacancies on First PacTrust's board of directors and newly created directorships resulting from an increase in the number of directors may only be filled by a majority vote of the directors then in office, even if less than a quorum. Each director filling a vacancy will remain in office for the remainder of the unexpired term.

### *PBOC*

Under PBOC's bylaws, a vacancy on the board of directors may be filled by the remaining directors, or by the shareholders if such vacancy is not filled by the remaining directors, however a vacancy created by the removal of a director by the shareholders may be filled only by the shareholders.

### **Special Meetings of Shareholders**

#### *First PacTrust*

Under First PacTrust's bylaws, a special meeting of shareholders may be called by the President of First PacTrust, by a majority of the whole board of directors (assuming no vacancies) or by written request of the holders of a majority of the shares entitled to vote at the meeting.

### *PBOC*

Under PBOC's bylaws, a special meeting of shareholders may be called by the board of directors, the Chairman of the board of directors, the Chief Executive Officer, the President or the holders of not less than 10% of the outstanding shares entitled to vote at such meeting.

### **Quorum**

#### *First PacTrust*

Under First PacTrust's bylaws, the presence in person or by proxy of holders of one-third of the votes entitled to vote at a meeting of First PacTrust shareholders constitutes a quorum for such meeting of shareholders. If a quorum is not present or represented at a meeting of shareholders, the chairman of the meeting or the holders of a majority of the shares entitled to vote at the meeting who are present or represented at the meeting may adjourn the meeting until a quorum is obtained.

### *PBOC*

PBOC's bylaws provide that a majority of the outstanding shares entitled to vote, represented in person or by proxy, constitutes a quorum at any meeting of PBOC shareholders. In the absence of a quorum, a majority of the shareholders represented at any meeting may adjourn the meeting from time to time.

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### **Dividends**

#### *First PacTrust*

First PacTrust's bylaws provide that First PacTrust's board of directors may declare a dividend at any meeting of the board unless such action would be prohibited by applicable law. Under Maryland law, which is the law of the state where First PacTrust is incorporated, First PacTrust may not declare a dividend if, after giving effect to such dividend, it would not be able to pay indebtedness as the indebtedness becomes due in its usual course of business or if its total assets would be less than the sum of its total liabilities. At any given time, First PacTrust may declare a dividend out of (1) its net earnings for the fiscal year in which the dividend is made, (2) its net earnings for the preceding fiscal year or (3) the sum of the net earnings for the preceding eight fiscal quarters.

#### *PBOC*

As a California state-chartered bank, the ability of PBOC to pay dividends is subject to restrictions set forth in the California Financial Code. Under the California Financial Code, PBOC may declare a cash dividend out of its net profits up to the lesser of its retained earnings or its net income for the last three fiscal years (less any distributions made to shareholders during such period), or, with the prior written approval of the Department of Financial Institutions, in an amount not exceeding the greater of (1) its retained earnings, (2) its net income for its last fiscal year, or (3) its net income for its current fiscal year. Additionally, PBOC may redeem its redeemable shares with the prior written approval of the Department of Financial Institutions. PBOC's ability to pay dividends is limited, however, by the provisions of the PBOC preferred stock, which state that PBOC may only declare and pay a dividend on its common stock, or repurchase shares of any such class or series of common stock, if, after payment of such dividend or such repurchase, the dollar amount of its Tier 1 Capital met or exceeded a minimum threshold amount set forth in the provisions of the PBOC preferred stock, an amount we refer to as the tier 1 dividend threshold. The tier 1 dividend threshold is subject to reduction, beginning on the second anniversary of issuance of the PBOC preferred stock and ending on the tenth anniversary of such issuance, by 10% for each 1% increase in qualified small business loans over a certain baseline level set forth in the provisions of the PBOC preferred stock.

### **Shareholder Proposals**

#### *First PacTrust*

First PacTrust's bylaws provide that, for a shareholder proposal to be properly brought before an annual meeting, including any nomination or proposal relating to the nomination of a director to be elected to the board of directors, the shareholder must deliver written notice to First PacTrust's secretary before the meeting. The notice must be received by the secretary not less than 90 days or more than 120 days before the anniversary date of the previous year's annual meeting, unless the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, in which case the notice must be delivered not more than 120 days prior to such annual meeting and not less than (1) 90 days prior to such meeting or (2) the tenth day following the date on which notice of the date of the annual meeting was mailed or publicly announced. To be in proper written form, each notice must set forth (1) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (2) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of the shareholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (3) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of the shareholder and of the beneficial owner, if any; (B) the class and number of shares of stock of First PacTrust that are owned beneficially and of record by the shareholder and the beneficial owner, if any; and (C) a representation that the shareholder intends to appear in person or by proxy at the meeting to bring such business before the meeting.

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### *PBOC*

PBOC is not required to bring any shareholder proposals before its annual meeting. PBOC's bylaws provide that nominations for directors, other than by the Board of Directors, may be made by any shareholder entitled to vote for the election of directors. Notice of a shareholder's intention to make a nomination must be given in writing to the Chairman not less than 120 calendar days prior to the date the proxy materials for the previous year's annual meeting were released to the shareholders; provided, however, that in the event that the date of the annual meeting is changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice by the shareholder must be received by the Chairman not later than the close of business on the later of the 120th day prior to such annual meeting or 10 days after the date the notice of such meeting is first sent to shareholders. In no event shall the notice of an adjournment or postponement of an annual meeting commence a new time period for the giving of a shareholder's notice. The bylaws contain specific requirements regarding what must be included in the notice and nominations for director not made in accordance with the bylaw requirements will be disregarded.

### **Notice of Shareholder Meetings**

#### *First PacTrust*

First PacTrust's bylaws provide that First PacTrust must give written notice between 10 and 90 days before any shareholder meeting to each shareholder entitled to vote at such meeting and to each other shareholder entitled to notice of the meeting. The notice must state the time and place of the meeting and, in the case of a special meeting, the purposes of the meeting.

### *PBOC*

PBOC's bylaws provide that PBOC must give written notice between 10 and 60 days before any shareholder meeting to each shareholder entitled to vote at such meeting. The notice shall state the place, date and hour, and, in the case of a special meeting, the general nature of the business to be transacted at the meeting, or, in the case of an annual meeting, the matters which the board intends to present for action by the shareholders, including the names of the nominees for director to be presented by management.

### **Anti-Takeover Provisions and Other Shareholder Protections**

#### *First PacTrust*

The MGCL contains a business combination statute that prohibits a business combination between a corporation and an interested shareholder (one who beneficially owns 10% or more of the voting power) for a period of five years after the interested shareholder first becomes an interested shareholder, unless the transaction has been approved by the board of directors before the interested shareholder became an interested shareholder or the corporation has exempted itself from the statute pursuant to a charter provision. After the five-year period has elapsed, a corporation subject to the statute may not consummate a business combination with an interested shareholder unless (1) the transaction has been recommended by the board of directors and (2) the transaction has been approved by (A) 80% of the outstanding shares entitled to be cast and (B) two-thirds of the votes entitled to be cast other than shares owned by the interested shareholder. This approval requirement need not be met if certain fair price and terms criteria have been satisfied. First PacTrust has opted-out of the Maryland business combination statute through a provision in its articles of incorporation.

However, under First PacTrust's articles of incorporation, certain business combinations (for example, mergers, share exchanges, recapitalizations, significant asset sales and significant stock issuances) involving interested shareholders of First PacTrust require, in addition to any vote required by law, the approval of the holders of at least 80% of the voting power of the outstanding shares of stock entitled to vote in the election of directors, unless either (1) a majority of the disinterested directors have approved the business combination or



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(2) certain fair price and procedure requirements are satisfied. An interested shareholder means a person who is the beneficial owner of more than 10% of the voting power of the outstanding shares of stock entitled to vote in the election of directors or who is an affiliate of First PacTrust and at any time within the past two years was the beneficial owner of more than 10% of the voting power of the outstanding shares of stock entitled to vote in the election of directors.

### *PBOC*

PBOC is not subject to comparable anti-takeover measures.

## **Limitation of Personal Liability of Officers and Directors**

### *First PacTrust*

First PacTrust's articles of incorporation provide that officers and directors of First PacTrust will not be personally liable to First PacTrust or its shareholders for money damages, except to the extent (1) the person actually received an improper benefit, (2) a judgment is entered in a proceeding finding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding or (3) to the extent otherwise required by the MGCL.

### *PBOC*

PBOC's articles of incorporation provide for the elimination of director liability for monetary damages to the maximum extent allowed by California law.

## **Indemnification of Directors and Officers and Insurance**

### *First PacTrust*

First PacTrust's articles of incorporation provide for the indemnification of current and former directors and officers to the fullest extent authorized by law and of employees and agents to such extent as authorized by the board of directors and permitted by law. First PacTrust may advance expenses to directors and officers, provided that it will be a defense to any action against First PacTrust for advancement of expenses that First PacTrust has not received an undertaking by or on behalf of such director or officer to repay an amount so advanced if it is ultimately determined that such director or officer has not met the standard of conduct necessary for indemnification and a written affirmation of such director or officer of his good faith belief that such standard has been met.

First PacTrust's articles of incorporation provide that First PacTrust may maintain insurance on behalf of its directors, officers, employees and agents against any liability, whether or not First PacTrust would have the power to indemnify such person against such liability under its articles of incorporation. First PacTrust maintains such insurance.

### *PBOC*

PBOC's articles of incorporation authorize PBOC to indemnify its agents in excess of the indemnification otherwise permitted by Section 317 of the CGCL subject only to the applicable limits set forth in Section 204 of the CGCL with respect to actions for breach of duty to PBOC and its shareholders and the requirements of federal law. PBOC's bylaws further provide that PBOC may indemnify its current and former directors, employees, officers and agents to the fullest extent permitted by the CGCL. PBOC may advance expenses incurred in defending any proceeding for which indemnification is required prior to final disposition of the proceeding upon receipt of an undertaking by the indemnified party to repay such amount if it is ultimately determined that such party is not entitled to be indemnified.

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### **Amendments to Articles of Incorporation and Bylaws**

#### *First PacTrust*

First PacTrust's articles of incorporation generally may be amended upon approval by the board of directors and the holders of a majority of the outstanding shares of stock entitled to vote in the election of directors. The amendment of certain provisions of the articles of incorporation, however, require the vote of the holders of at least 80% of the outstanding shares of stock entitled to vote in the election of directors. These include provisions relating to voting limitations on greater than 10% shareholders; the opt-out of the Maryland control share acquisition statute; the number, classification, election and removal of directors; certain business combinations with greater than 10% shareholders; indemnification of directors and officers; and amendments to the articles of incorporation and bylaws.

First PacTrust's bylaws may be amended either by a majority of the whole board of directors (assuming no vacancies) or by a vote of the holders of at least 80% of the outstanding shares of stock entitled to vote in the election of directors.

#### *PBOC*

PBOC's articles of incorporation may be amended in accordance with the provisions of the CGCL. The CGCL generally requires the approval of the board of directors and the approval of the majority of the outstanding shares entitled to vote, either before or after the approval by the board of directors. In addition, since PBOC is a California state-chartered bank, any amendment to its articles of incorporation is also subject to the approval of the California Department of Financial Institutions.

PBOC's bylaws may be amended by a majority of the outstanding shares entitled to vote or of the board of directors, except that a bylaw changing the range within which the number of directors must be set may only be amended by the shareholders.

### **Action by Written Consent of the Shareholders**

#### *First PacTrust*

Under First PacTrust's articles of incorporation, any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if all of the shareholders entitled to vote at the meeting sign a written consent setting forth the action and all of the shareholders entitled to notice of the meeting but not entitled to vote at the meeting sign a written waiver of any right to dissent.

#### *PBOC*

Under PBOC's bylaws, any action that may be taken at a meeting of shareholders may be taken without a meeting if holders of the outstanding shares required to take such action at a meeting at which all shares entitled to vote were present and voted sign a written consent setting forth such action. Directors may not be elected by written consent except by unanimous written consent of all shareholders entitled to vote, except that shareholders may elect a director to fill a vacancy on the board of directors (unless such vacancy was created by a removal of a director) by written consent of the holders of a majority of the outstanding shares entitled to vote.

### **Shareholder Rights Plan**

Neither First PacTrust nor PBOC has a shareholder rights plan in effect.

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**Rights of Dissenting Shareholders**

*First PacTrust*

The appraisal rights of First PacTrust shareholders are governed in accordance with the MGCL. Under Maryland law, a dissenting or objecting shareholder has the right to demand and receive payment of the fair value of the shareholder's stock from a successor corporation if (1) the corporation consolidates or merges with another corporation; (2) the corporation's stock is to be acquired in a share exchange; (3) the corporation transfers its assets in a transaction requiring approval of two-thirds of all shareholders eligible to vote on the transfer; (4) the corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the shareholder's rights, unless the right to do so is reserved in the charter of the corporation; or (5) the transaction is subject to certain provisions of the Maryland Business Combination Act.

Maryland law provides that a shareholder may not demand the fair value of the shareholder's stock and is bound by the terms of the transaction if, among other things, (1) the stock is listed on a national securities exchange on the record date for determining shareholders entitled to vote on the matter or, in certain mergers, the date notice is given or waived (except certain mergers where stock held by directors and executive officers is exchanged for merger consideration not available generally to shareholders); (2) the stock is that of the successor in the merger, unless either (A) the merger alters the contract rights of the stock as expressly set forth in the charter and the charter does not reserve the right to do so or (B) the stock is to be changed or converted in whole or in part in the merger into something other than either stock in the successor or cash, scrip or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor; or (3) the charter provides that the holders of the stock are not entitled to exercise the rights of an objecting shareholder.

*PBOC*

Under the CGCL, if a merger is consummated and a shareholder of a California corporation elects to exercise dissenters' rights by complying with the procedures set forth in the CGCL, that shareholder will be entitled to receive an amount equal to the fair market value of such shareholder's shares. Fair market value will be determined as of the day before the public announcement of the merger.

In addition, a company will be required to purchase dissenting shares only if the following conditions exist:

the shareholder must have shares of common stock outstanding as of the record date of the shareholder's meeting;

the shareholder must not vote the shares FOR the approval of the merger; and

the shareholder must make a written demand to have the corporation purchase those shares of common stock for cash at their fair market value. The demand must meet the requirements of the CGCL and must be received by the corporation or its transfer agent no later than 30 days after the date on which the corporation mails notice of approval of the merger to the shareholder.

See The Merger Dissenters' Rights in the Merger.

**Table of Contents****COMPARATIVE MARKET PRICES AND DIVIDENDS**

First PacTrust common stock is quoted on the NASDAQ Global Market under the symbol BANC, and PBOC common stock is quoted on the OTC Bulletin Board under the symbol PBCA. The following table sets forth the high and low reported intra-day sales prices per share of First PacTrust common stock and PBOC common stock, and the cash dividends declared per share for the periods indicated.

	First PacTrust Common Stock			PBCA Common Stock		
	High	Low	Dividend	High	Low	Dividend
<b>2011</b>						
First Quarter	16.59	13.53	0.105	8.75	7.95	
Second Quarter	16.61	13.93	0.11	8.70	8.15	
Third Quarter	15.52	10.37	0.115	8.50	8.05	
Fourth Quarter	13.21	10.09	0.12	10.00	8.10	
<b>2012</b>						
First Quarter	13.29	11.06	0.12	9.30	8.60	
Second Quarter	12.47	10.29	0.12	10.50	9.20	
Third Quarter	12.64	11.12	0.12	12.40	10.15	
Fourth Quarter	12.58	11.03	0.12	12.20	11.50	

**2013**

First Quarter (through [ ], 2013) [ ] [ ] [ ] [ ] [ ] [ ]  
 On August 21, 2012, the last full trading day before the public announcement of the merger agreement, the high and low sales prices of shares of First PacTrust common stock as reported on the NASDAQ Global Market were \$12.17 and \$11.69, respectively. On [ ], 2013, the last practicable trading day before the date of this proxy statement/prospectus, the high and low sales prices of shares of First PacTrust common stock as reported on the NASDAQ Global Market were \$[ ] and \$[ ], respectively.

On August 21, 2012, the last full trading day before the public announcement of the merger agreement, the high and low bid prices of shares of PBOC common stock as reported on the OTC Bulletin Board were \$10.20 and \$10.20, respectively. On [ ], 2013, the last practicable trading day before the date of this proxy statement/prospectus, the high and low bid prices of shares of PBOC common stock as reported on the OTC Bulletin Board were \$[ ] and \$[ ], respectively.

As of [ ], 2013, the last date prior to printing this proxy statement/prospectus for which it was practicable to obtain this information, there were approximately [ ] registered holders of First PacTrust common stock and approximately [ ] registered holders of PBOC common stock.

PBOC shareholders are advised to obtain current market quotations for First PacTrust common stock and PBOC common stock. The market price of First PacTrust common stock and PBOC common stock will fluctuate between the date of this proxy statement/prospectus and the completion of the merger. No assurance can be given concerning the market price of First PacTrust common stock or PBOC common stock before or after the effective date of the merger. Changes in the market price of First PacTrust common stock prior to the completion of the merger will affect the market value of the merger consideration that PBOC's shareholders will receive upon completion of the merger.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF PBOC**

Management knows of no person who beneficially owned more than 5% of the outstanding common stock of PBOC as of December 27, 2012, except for Richard M. Pachulski, who is a member of the PBOC Board of Directors; Scott I. Eisner (primarily as trustee for the trusts of the minor children of A. Stuart Rubin, a director of PBOC, and his brother, J. Nathan Rubin, as described in footnote 1 below); and Isaac M. Pachulski, who is the brother and business associate of Richard M. Pachulski. The following table furnishes information, as of December 27, 2012, regarding Scott I. Eisner and Isaac M. Pachulski:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Scott I. Eisner	295,970 <sup>1</sup>	7.64%
	21300 Victory Boulevard, Suite 520		
	Woodland Hills, California 91367		
Common Stock	Isaac M. Pachulski	344,000 <sup>2</sup>	8.88%
	1901 Avenue of the Stars, 12th Floor		
	Los Angeles, California 90067		

The following table sets forth certain information as of December 27, 2012, with respect to the share ownership of the directors and named executive officers of PBOC, individually, and all directors and executive officers as a group (12 persons):

Title of Class	Name of Beneficial Owner <sup>3</sup>	Amount and Nature of Beneficial Ownership <sup>4</sup>	Percent of Class <sup>5</sup>
Common Stock	R. Todd Neilson	79,600 <sup>6</sup>	2.04%
	Chairman of the Board		
Common Stock	Melanie K. Cook	79,040 <sup>7</sup>	2.03%
	Director		
Common Stock	David R. Misch	43,160	1.11%
	Chief Executive Officer		
	and Director		
Common Stock	Richard M. Pachulski	209,340 <sup>8</sup>	5.32%
	Director		
Common Stock	A. Stuart Rubin	172,237 <sup>9</sup>	4.42%
	Director		
Common Stock	Larry Scherzer	43,500 <sup>10</sup>	1.12%
	Director		
Common Stock	Richard A. Smith	195,200 <sup>11</sup>	4.86%
	President and Director		
Common Stock	Bruce H. Spector	68,080 <sup>12</sup>	1.74%
	Director		

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Common Stock	Gary S. Stiffelman	129,040 <sup>13</sup>	3.31%
	Director		
Common Stock	Suzanne A. Dondanville	6,000 <sup>14</sup>	0.15%
	Executive Vice President and Chief Operations Officer		
Common Stock	Joyce N. Kaneda	69,800 <sup>15</sup>	1.78%
	Executive Vice President, Chief Financial Officer		
	and Corporate Secretary		
Common Stock	Nick Zappia	12,000 <sup>14</sup>	0.31%
	Executive Vice President		
Common Stock	Directors and Executive Officers as a Group (12 persons)	1,106,997 <sup>16</sup>	25.84%

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- 1 Consists of 7,000 shares held by Mr. Eisner as Trustee of the Scott and Leslie Eisner Trust dated December 14, 1999; 164,000 shares held by the Nathan Rubin Children's Trust dated December 21, 2001 (of which J. Nathan Rubin's children are beneficiaries); and 124,970 shares held by the Stuart Rubin Children's Trust dated December 21, 2001 (of which A. Stuart Rubin's children are beneficiaries). Mr. Eisner serves as sole trustee of both Children's trusts and has sole voting and investment power over the shares. 66,750 shares held by the Nathan Rubin Children's Trust and 66,750 shares held by the Stuart Rubin Children's Trust have been pledged as collateral to a bank.
- 2 Consists of 45,000 shares held as trustee of trusts for the benefit of Isaac M. Pachulski's children, 161,500 shares (of which 66,750 shares are pledged as collateral to a bank) held indirectly by Isaac M. Pachulski for his own benefit, and 135,000 shares held as trustee of a trust for the benefit of Richard M. Pachulski's (Isaac M. Pachulski's brother and a director of PBOC) children, as to all of which Isaac M. Pachulski is the sole trustee with sole voting and investment power over the shares; and 2,500 shares held by Mr. Pachulski as Co-Trustee of the Phil and Jennie Pachulski Family Trust-Survivors Trust dated February 15, 2007, and as to which shares he has shared voting and investment power.
- 3 The business address for each of the directors and executive officers is 10100 Santa Monica Boulevard, Suite 2500, Los Angeles, California 90067.
- 4 Except as otherwise noted, may include shares held by or with such person's spouse (except where legally separated) and minor children; shares held by any other relative of such person who has the same home; shares held by a family trust as to which such person is a trustee and primary beneficiary with sole voting and investment power (or shared power with a spouse); shares held in street name for the benefit of such person; or shares held in an Individual Retirement Account or pension plan as to which such person is the sole beneficiary and has pass-through voting rights and investment power.
- 5 This percentage is based on the total number of shares of PBOC's common stock outstanding, plus, for each person or group, as applicable, the number of PBOC option shares which are vested or will vest within 60 days of December 27, 2012 pursuant to PBOC's Stock Incentive Plan.
- 6 Includes 28,800 shares issuable upon the exercise of vested PBOC options.
- 7 Represents 50,000 shares held by Ms. Cook as Trustee of the Melanie Cook and William A.P. Woods Jr. Family Trust dated October 4, 2011 and 29,040 shares issuable upon the exercise of vested PBOC options.
- 8 Represents 144,000 shares held by Mr. Pachulski as Trustee of the Richard and Dana Pachulski Living Trust dated September 30, 2003, of which 67,500 shares are pledged as collateral to a bank, and 65,340 shares issuable upon the exercise of vested PBOC options.
- 9 Represents 120,597 shares held by Mr. Rubin as Trustee of the Stuart and Annette Rubin Family Trust dated November 4, 2003, 27,600 shares held by the RP Realty Partners 401(K) Plan, of which Mr. Rubin is the beneficiary, and 24,040 shares issuable upon the exercise of vested PBOC options.
- 10 Represents 17,200 shares held by Mr. Scherzer as Trustee of the Carole V. Scherzer and Larry S. Scherzer Living Trust dated March 19, 1991, 1,000 shares held in the Carole V. Scherzer Individual Retirement Account, 20,300 shares held in the Larry S. Scherzer Individual Retirement Account, and 5,000 shares issuable upon the exercise of vested PBOC options.
- 11 Includes 10,000 shares held by Mr. Smith in the Richard A. Smith Individual Retirement Account, 13,334 PBOC restricted shares and 145,200 shares issuable upon the exercise of vested PBOC options.
- 12 Includes 29,040 shares issuable upon the exercise of vested PBOC options.
- 13 Represents 100,000 shares held by Mr. Stiffelman as Trustee of the Stiffelman Family Trust dated July 3, 1991 and 29,040 shares issuable upon the exercise of vested PBOC options.
- 14 Represents PBOC restricted shares.
- 15 Includes 56,300 shares issuable upon the exercise of vested PBOC options.
- 16 Includes 31,334 PBOC restricted shares and 411,800 shares issuable upon the exercise of vested PBOC options.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS OF PBOC**

This discussion presents the analysis of PBOC's financial condition and results of operations as of and for the nine months ended September 30, 2012 and 2011, and as of and for each of years in the two-year period ended December 31, 2011. This discussion is designed to provide a more comprehensive review of the operating results and financial position of PBOC than could be obtained from an examination of the financial statements alone and should be read in conjunction with the financial statements of PBOC and the notes related thereto which have been filed by First PacTrust with the SEC and are incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#).

Statements contained in this proxy statement/prospectus that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 as amended, including PBOC's expectations, intentions, beliefs or strategies regarding the future. All forward-looking statements concerning economic conditions, rates of growth, rates of income or values as may be included or incorporated by reference in this proxy statement/prospectus are based on information available to PBOC as of the date of this proxy statement/prospectus and PBOC assumes no obligation to update any such forward-looking statements. It is important to note that PBOC's actual results could materially differ from those in such forward-looking statements. Factors that could cause actual results to differ materially from those in such forward-looking statements include fluctuations in interest rates, inflation, government regulations, economic conditions and competitive product and pricing pressures in the geographic and business areas in which PBOC conducts its operations.

**General**

PBOC commenced operations on October 24, 2005 as a California-chartered commercial bank. PBOC is a member of the Federal Deposit Insurance Corporation (FDIC) and is subject to the regulations of and periodic examinations by the California Department of Financial Institutions and the FDIC, its primary regulators.

PBOC provides a wide range of financial services, including credit and deposit products as well as cash management services, from its headquarters located in the Century City area of Los Angeles, California as well as full-service branches in Hollywood and Orange County and a loan production office in downtown Los Angeles. PBOC's target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses and non-profit organizations.

PBOC's primary source of income is from the interest earned on loans and investment securities and its primary expenses are interest paid on deposits and salaries and employee benefits.

At September 30, 2012, PBOC had \$685 million in total assets, \$326 million in net loans, \$580 million in total deposits and \$52 million in total shareholders' equity.

For the nine months ended September 30, 2012, net income available to common shareholders totaled \$1,493,000 or \$0.38 per diluted share, compared to \$1,142,000 or \$.30 per diluted share for the same period in 2011. The \$351,000 or 31% increase in net income available to common shareholders is primarily due to the increase in average interest-earning assets, which increased from \$467 million for the nine months ended September 30, 2011 to \$613 million for the nine months ended September 30, 2012, due to increased volume of loans and investment securities. PBOC recorded a provision for credit losses of \$796,000 for the nine months ended September 30, 2012, compared to \$788,000 for the same period in the prior year primarily due to loan growth.

The annualized return on average total assets was .32% for the nine months ended September 30, 2012, compared to .42% for the same period in 2011. The annualized return on average total shareholders' equity was 4.13% for the nine months ended September 30, 2012, compared to 4.89% for the same period in the prior year.



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For the year ended December 31, 2011, net income available to common shareholders totaled \$1,521,000 or \$0.40 per diluted share, compared to a net loss of \$247,000 or (\$.07) per diluted share, for the same period in the prior year. The increase in net income available to common shareholders for the year ended December 31, 2011 was primarily due to an increase of \$149 million in average interest-earning assets, from \$340 million in 2010 to \$489 million in 2011. PBOC recorded a provision for credit losses of \$1,550,000 and \$1,165,000 for the years ended December 31, 2011 and 2010, respectively, primarily related to loan growth.

The annualized return on average total assets was .38% and .03% for 2011 and 2010, respectively. The annualized return on average total shareholders' equity was 4.44% and .25% for 2011 and 2010, respectively.

### **Critical Accounting Policies**

PBOC's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and prevailing practices in the banking industry. The financial information contained within these statements is, to a significant extent, financial information that is based on approximate measures of the financial effects of transactions and events that have already occurred.

Based on its consideration of accounting policies that involve the most complex and subjective decisions and assessments, management has identified its most critical accounting policy to be that related to the allowance for credit losses. PBOC's methodology to determine its allowance for credit losses incorporates a variety of risk considerations, both quantitative and qualitative, in establishing an allowance for credit losses that management believes is appropriate at each reporting date taking into account the characteristics of the loan portfolio, current economic conditions and historical credit loss experience. Although management believes that the level of the allowance as of September 30, 2012 is adequate to absorb losses inherent in PBOC's loan portfolio, a decline in the local economy or other adverse factors may result in increasing losses that cannot be reasonably predicted at this time. See "Financial Condition" below.

### **Results of Operations**

#### *Net Interest Income*

PBOC's earnings depend largely upon its net interest income, which is the difference between the income received from its loan portfolio and other interest-earning assets and the interest paid on deposits and other interest-bearing liabilities. Net interest income, when expressed as a percentage of average total interest-earning assets, is referred to as the net interest margin. PBOC's net interest income is affected by changes in the level and mix of interest-earning assets and interest-bearing liabilities ( "volume changes" ). PBOC's net interest income is also affected by changes in the yields earned on assets and rates paid on liabilities ( "rate changes" ). Interest rates charged on PBOC's loans are affected principally by the demand for such loans, the supply of money available for lending purposes and competitive factors. Those factors are, in turn, affected by general economic conditions and other factors beyond PBOC's control, such as federal economic policies, the general supply of money in the economy, legislative tax policies, governmental budgetary matters and the actions of the Federal Reserve Board. Interest rates on deposits are affected primarily by rates charged by competitors.

Net interest income totaled \$13,320,000 for the nine months ended September 30, 2012, representing an increase of \$2,184,000 or 20% from \$11,136,000 for the same period in 2011. This increase in net interest income reflects a \$2,316,000 increase in total interest income accompanied by a \$132,000 increase in total interest expense.

Total interest income increased \$2,316,000 or 19% in the first nine months of 2012 compared with the same period in 2011, primarily due to a higher volume of average interest-earning assets, which increased from \$467 million for the nine months ended September 30, 2011 to \$613 million for the same period in 2012. The increase was impacted by a lower yield on average interest-earning assets of 3.20% for the nine months ended September 30, 2012 compared to 3.53% for the same period in the prior year. The noted decrease primarily reflects lower yields on loans and securities available-for-sale consistent with a declining interest rate environment.

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Total interest expense increased \$132,000 or 11% in the first nine months of 2012, compared with the same period in 2011 primarily because of a higher volume of average interest-bearing liabilities, particularly money market accounts and time certificates. The increase in interest expense was tempered by the decline in the rate paid on average interest-bearing liabilities from .59% for the nine months ended September 30, 2012 to .52% for the same period in the prior year.

For the year ended December 31, 2011, net interest income totaled \$15,193,000 compared to \$10,754,000 for the year ended December 31, 2010, a year-over-year increase of \$4,439,000 or 41%. This increase in net interest income is attributable to a \$4,622,000 increase in total interest income and an \$183,000 increase in total interest expense.

Total interest income for the year ended December 31, 2011 increased \$4,622,000 or 38% over 2010, primarily due to higher average interest-earning assets, which increased from \$340 million in 2010 to \$489 million in 2011. The yield on average interest-earning assets declined from 3.60% in 2010 to 3.45% in 2011.

Total interest expense for the year ended December 31, 2011 increased \$183,000 or 12% from the year ended December 31, 2010. The increase in total interest expense is attributable to higher average interest-bearing liabilities, which grew from \$211 million in 2010 to \$283 million in 2011, that was partially offset by a decline in the rate paid on average interest-bearing liabilities, which decreased from .70% in 2010 to .59% in 2011.

*Net Interest Margin and Net Interest Spread*

Net interest income, when expressed as a percentage of average total interest-earning assets, is referred to as the net interest margin. PBOC's net interest margin was 2.90% for the nine months ended September 30, 2012, compared to 3.19% for the same period in 2011. The decrease in the net interest margin from 2011 to 2012 primarily reflects higher average loans and securities available-for-sale balances at lower yields that was partially offset by higher average interest-earning assets as a percentage of average interest-bearing liabilities. The net interest margin for the years ended December 31, 2011 and 2010 was 3.11% and 3.16%, respectively.

The difference between the yield on average total interest-earning assets and the cost of average total interest-bearing liabilities is the net interest spread. The net interest spread is an indication of PBOC's ability to manage yields earned on loans and securities available-for-sale and rates paid on deposits and borrowings. The net interest spread was 2.68% and 2.94% for the nine months ended September 30, 2012 and 2011, respectively. The decline from 2011 to 2012 is attributable to a .33% decrease in the yield on average total interest-earning assets that was partially offset by a .07% decrease in the cost of average total interest-bearing liabilities.

For the year ended December 31, 2011, PBOC's net interest spread was 2.86% and approximated the net interest spread of 2.90% for the same period in the prior year as the decrease in the yield on average total interest-earning assets was nearly offset by a decrease in the cost of average interest-bearing liabilities.

The yield on average total interest-earning assets declined from 3.53% for the nine months ended September 30, 2011 to 3.20% for the same period in 2012 as yields on average loans and securities available-for-sale decreased .23% and .51%, respectively, and loans as a percentage of total interest-earning assets decreased slightly from 52% in 2011 to 51% in 2012.

The cost of average total interest-bearing liabilities decreased from .59% for the nine months ended September 30, 2011 to .52% for the same period in 2012. The noted decrease is primarily due to a .19% decline in money market and savings deposit rates that was partially offset by a .11% increase in time certificates of deposit rates due to the restructuring of brokered deposits issued for interest rate risk management purposes.

The yield on average total interest-earning assets decreased from 3.60% for the year ended December 31, 2010 to 3.45% for the year ended December 31, 2011. The cost of average total interest-bearing liabilities declined from .70% for the year ended December 31, 2010 to .59% for the year ended December 31, 2011.

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The following tables show PBOC's average balances of assets, liabilities and shareholders' equity; the amount of interest income and interest expense; the average yield or rate for categories of interest-earning assets and interest-bearing liabilities; and the net interest margin and net interest spread for the indicated periods:

Distribution, Yield and Rate Analysis of Net Interest Income  
For the Nine Months Ended September 30,  
(\$ in Thousands)

	Average Balance	2012 Interest Income or Expense	Average Yield or Rate	Average Balance	2011 Interest Income or Expense	Average Yield or Rate
<b>Assets:</b>						
Interest-earning assets:						
Net loans <sup>(1)</sup>	\$ 312,632	\$ 10,151	4.34%	\$ 242,577	\$ 8,284	4.57%
Securities available-for-sale	289,759	4,490	2.07%	209,784	4,041	2.58%
Other interest-earning assets	10,920	29	0.35%	14,989	29	0.26%
<b>Total interest-earning assets</b>	<b>613,311</b>	<b>14,670</b>	<b>3.20%</b>	<b>467,350</b>	<b>12,354</b>	<b>3.53%</b>
Noninterest-earning assets	34,446			28,394		
<b>Total assets</b>	<b>\$ 647,757</b>			<b>\$ 495,744</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 21,268	\$ 14	0.09%	\$ 22,177	\$ 28	0.17%
Money market and savings deposits	195,835	500	0.34%	156,034	620	0.53%
Time certificates of deposit	80,541	758	1.26%	59,165	508	1.15%
<b>Total interest-bearing deposits</b>	<b>297,644</b>	<b>1,272</b>	<b>0.57%</b>	<b>237,376</b>	<b>1,156</b>	<b>0.65%</b>
Other borrowings	45,816	78	0.23%	36,380	62	0.23%
<b>Total interest-bearing liabilities</b>	<b>343,460</b>	<b>1,350</b>	<b>0.52%</b>	<b>273,756</b>	<b>1,218</b>	<b>0.59%</b>
Noninterest-bearing liabilities:						
Demand deposits	251,827			177,800		
Other liabilities	1,735			1,630		
<b>Total noninterest-bearing liabilities</b>	<b>253,562</b>			<b>179,430</b>		
<b>Total liabilities</b>	<b>597,022</b>			<b>453,186</b>		
Shareholders' equity	50,735			42,558		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 647,757</b>			<b>\$ 495,744</b>		
<b>Net interest income</b>		<b>\$ 13,320</b>			<b>\$ 11,136</b>	
Net interest spread <sup>(2)</sup>			2.68%			2.94%
Net interest margin <sup>(3)</sup>			2.90%			3.19%
Average interest-earning assets as a percentage of average interest-bearing liabilities			178.57%			170.72%

**Notes:**

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- (1) Loans are net of the allowance for credit losses and net deferred loan fees/costs. Unamortized net deferred loan (fees)/costs were \$35,000 and (\$104,000) at September 30, 2012 and 2011, respectively.
- (2) Weighted average yield on interest-earning assets less the weighted average cost of interest-bearing liabilities for the indicated period.
- (3) Net interest income as an annualized percentage of average interest-earning assets.

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Distribution, Yield and Rate Analysis of Net Interest Income  
For the Year Ended December 31,  
(\$ in Thousands)

	Average Balance	2011 Interest Income or Expense	Average Yield or Rate	Average Balance	2010 Interest Income or Expense	Average Yield or Rate
<b>Assets:</b>						
Interest-earning assets:						
Net loans <sup>(1)</sup>	\$ 250,917	\$ 11,412	4.55%	\$ 180,660	\$ 8,722	4.83%
Securities available-for-sale	223,729	5,399	2.41%	140,773	3,401	2.42%
Other interest-earning assets	14,155	42	0.30%	18,487	108	0.58%
<b>Total interest-earning assets</b>	<b>488,801</b>	<b>16,853</b>	<b>3.45%</b>	<b>339,920</b>	<b>12,231</b>	<b>3.60%</b>
Noninterest-earning assets	30,218			23,007		
<b>Total assets</b>	<b>\$ 519,019</b>			<b>\$ 362,927</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 22,096	\$ 36	0.16%	\$ 26,630	\$ 89	0.33%
Money market and savings deposits	163,031	824	0.51%	124,118	892	0.72%
Time certificates of deposit	62,854	720	1.15%	39,726	452	1.14%
<b>Total interest-bearing deposits</b>	<b>247,981</b>	<b>1,580</b>	<b>0.64%</b>	<b>190,474</b>	<b>1,433</b>	<b>0.75%</b>
Other borrowings	34,808	80	0.23%	20,697	44	0.21%
<b>Total interest-bearing liabilities</b>	<b>282,789</b>	<b>1,660</b>	<b>0.59%</b>	<b>211,171</b>	<b>1,477</b>	<b>0.70%</b>
Noninterest-bearing liabilities:						
Demand deposits	190,142			108,057		
Other liabilities	1,885			1,307		
<b>Total noninterest-bearing liabilities</b>	<b>192,027</b>			<b>109,364</b>		
<b>Total liabilities</b>	<b>474,816</b>			<b>320,535</b>		
Shareholders' equity	44,203			42,392		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 519,019</b>			<b>\$ 362,927</b>		
<b>Net interest income</b>		<b>\$ 15,193</b>			<b>\$ 10,754</b>	
Net interest spread <sup>(2)</sup>			2.86%			2.90%
Net interest margin <sup>(3)</sup>			3.11%			3.16%
Average interest-earning assets as a percentage of average interest-bearing liabilities			172.85%			160.97%

**Notes:**

- (1) Loans are net of the allowance for credit losses and net deferred loan fees/costs. Unamortized net deferred loan fees were \$57,000 and \$99,000 at December 31, 2011 and 2010, respectively.
- (2) Weighted average yield on interest-earning assets less the weighted average cost of interest-bearing liabilities for the indicated period.
- (3) Net interest income as an annualized percentage of average interest-earning assets.



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The following table sets forth the dollar amount of changes in interest earned and paid for interest-earning assets and interest-bearing liabilities, respectively, and the amount of change attributable to changes in average daily balances ( volume changes) and changes in interest rates ( rate changes):

	\$ in Thousands								
	Nine Months Ended September 30, 2012 vs. 2011					Year Ended December 31, 2011 vs. 2010			
	Increases (Decreases) Due to Change In:					Increases (Decreases) Due to Change In:			
	Volume	Rate	Rate/ Volume	# of Days	Total	Volume	Rate	Rate/ Volume	Total
<b><u>Increase (decrease) in interest income:</u></b>									
Loans, net <sup>(1)</sup>	2,539	(547)	(155)	30	1,867	3,297	(394)	(213)	2,690
Securities available-for-sale	1,539	(801)	(304)	15	449	2,005	(4)	(3)	1,998
Other interest-earning assets	(8)	8				(29)	(53)	16	(66)
<b>Total</b>	<b>4,070</b>	<b>(1,340)</b>	<b>(459)</b>	<b>45</b>	<b>2,316</b>	<b>5,273</b>	<b>(451)</b>	<b>(200)</b>	<b>4,622</b>
<b><u>(Increase) decrease in interest expense:</u></b>									
Interest-bearing demand deposits	1	13	(1)		13	15	46	(8)	53
Savings and money market deposits	(158)	224	58	(1)	123	(280)	264	83	67
Time certificates of deposit	(183)	(49)	(18)	(2)	(252)	(263)	(3)	(1)	(267)
Other borrowings	(16)				(16)	(30)	(3)	(3)	(36)
<b>Total</b>	<b>(356)</b>	<b>188</b>	<b>39</b>	<b>(3)</b>	<b>(132)</b>	<b>(558)</b>	<b>304</b>	<b>71</b>	<b>(183)</b>
<b>Total change in net interest income</b>	<b>3,714</b>	<b>(1,152)</b>	<b>(420)</b>	<b>42</b>	<b>2,184</b>	<b>4,715</b>	<b>(147)</b>	<b>(129)</b>	<b>4,439</b>

**Note:**

- (1) Loans are net of unamortized net deferred fees/costs. Amortized loan fees and costs have been included in the calculation of net interest income. Net loan fees (costs) totaled (\$18,000) and \$35,000 for the nine months ended September 30, 2012 and 2011, respectively, and \$46,000 and \$216,000 for the years ended December 31, 2011 and 2010, respectively. Nonaccrual loans are included in the table for computation purposes, but foregone interest related to such loans has been excluded.

*Provision for Credit Losses*

PBOC accounts for credit risk associated with lending activities through its allowance for credit losses and provision for credit losses. The provision for credit losses is the expense recognized in the statement of income to adjust the allowance for credit losses to the level deemed appropriate by management based upon application of PBOC's allowance methodology procedures. Specifically identifiable and quantifiable losses are immediately charged-off against the allowance for credit losses. The procedures for monitoring the adequacy of the allowance for credit losses, as well as detailed information about the allowance itself, are included below. See Allowance for Credit Losses below.

PBOC recorded a provision for credit losses of \$796,000 for the nine months ended September 30, 2012, compared to \$788,000 for the same period in 2011. For the years ended December 31, 2011 and 2010, PBOC recorded provisions for credit losses of \$1,550,000 and \$1,165,000, respectively. The provision for credit losses reflects the impact of management's continuing assessment of the credit quality of PBOC's loan portfolio, which is affected by a variety of factors including the size and composition of the loan portfolio, information about specific borrower situations, estimated collateral values and general economic factors.

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Total noninterest income was \$1,582,000 for the nine months ended September 30, 2012, an increase of \$1,102,000 from \$480,000 for the same period in 2011. The increase primarily reflects an increase of gains from the sale of securities available-for-sale totaling \$1,314,000 in 2012 compared to \$362,000 in 2011.

For the years ended December 31, 2011 and 2010, total noninterest income was \$1,140,000 and \$1,172,000, respectively. The year-over-year decrease is attributable to lower gains on the sale of securities available-for-sale.

*Noninterest Expense*

Total noninterest expense, which is comprised of salaries and employee benefits, occupancy and other operating expenses, was \$11,898,000 for the nine months ended September 30, 2012. This represents an increase of \$2,628,000 or 28% from \$9,270,000 for the nine months ended September 30, 2011. For the years ended December 31, 2011 and 2010, total noninterest expense was \$12,820,000 and \$10,655,000, respectively, reflecting a \$2,165,000 or 20% increase year-over-year.

Salaries and employee benefits, which increased \$1,642,000 or 27% to \$7,652,000 for the nine months ended September 30, 2012 from \$6,010,000 for the same period in the prior year, accounts for 62% of the increase in total noninterest expense. This increase primarily reflects salary expense increases attributable to the increase in the number of full-time equivalent ( FTE ) employees from 62 at September 30, 2011 to 81 at September 30, 2012, as PBOC added staff in a new Orange County office, as well as in the areas of operations, risk management, credit and compliance in order to handle the increased volume of business in loans and deposits. Salaries and employee benefits increased \$1,459,000 or 21%, from \$6,807,000 for the year ended December 31, 2010 to \$8,266,000 for the year ended December 31, 2011. This increase reflects salary expense increases attributable to the increase in the number of FTE employees from 60 at December 30, 2010 to 68 at December 31, 2011 as well as salary expense related to a full year of operations for PBOC's Hollywood Office and Downtown Los Angeles Loan Production Office in 2011.

Noninterest expense as a percentage of average total interest-earning assets improved to 1.84% for the nine months ended September 30, 2012 from 1.87% for the same period in the prior year. The efficiency ratio, defined as total noninterest expense as a percentage of the sum of net interest income and total noninterest income excluding net gains on security sales ( total revenues ), increased from 82% for the nine months ended September 30, 2011 to 88% for the nine months ended September 30, 2012.

Noninterest expense as a percentage of average total interest-earning assets improved to 2.47% for the year ended December 31, 2011 from 2.94% for same period in the prior year. The efficiency ratio also improved year-over-year, declining from 98% in 2010 to 83% in 2011.



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The following table sets forth the major components of noninterest expense:

	(\$ in Thousands)							
	For the Nine Months Ended September 30,				For the Year Ended December 31,			
	2012		2011		2011		2010	
\$ Amount	Percent of Total	\$ Amount	Percent of Total	\$ Amount	Percent of Total	\$ Amount	Percent of Total	
Salaries and employee benefits	7,652	64%	6,010	65%	8,266	64%	6,807	64%
Occupancy and fixed assets	1,317	11%	949	10%	1,409	11%	964	9%
Legal and other professional fees	558	5%	445	5%	636	5%	482	4%
Data processing	471	4%	320	3%	454	4%	338	3%
Board of Director fees and expenses	168	1%	178	2%	217	2%	214	2%
FDIC and DFI assessments	373	3%	328	4%	434	3%	703	7%
Printing, stationery and supplies	104	1%	96	1%	140	1%	94	1%
Client-related services and costs	410	4%	306	3%	396	3%	431	4%
Other	845	7%	638	7%	868	7%	622	6%
Total noninterest expense	11,898	100%	9,270	100%	12,820	100%	10,655	100%
As a percentage of average earning assets		1.84%		1.87%		2.47%		2.94%
Efficiency ratio		87.56%		82.37%		83.49%		97.63%

*Provision for Income Taxes*

PBOC's effective tax rate reflected in the provision for income taxes for the nine months ended September 30, 2012 was 28.99% and is lower than the combined statutory rate of 41.15% primarily due to state and municipal bond interest income which is exempt from Federal income taxes. The effective tax rate for the nine months ended September 30, 2011 was .05% and is lower than the combined statutory rate primarily due to state and municipal bond interest income and utilization of PBOC's valuation allowance for deferred taxes.

For the years ended December 31, 2011 and 2010, PBOC's effective tax rate was .05% and .94%, respectively. The lower-than-expected effective tax rate for both years is attributable to utilization of the valuation allowance for deferred taxes as well as state and municipal bond interest income.

**Market Risk/Interest Rate Risk Management**

Market risk is the risk of loss from adverse changes in market prices or rates. PBOC's market risk arises primarily from interest rate risk inherent in its lending, investment and deposit-taking activities. PBOC's profitability is affected by fluctuations in interest rates. A sudden and substantial change in interest rates may adversely impact PBOC's earnings to the extent that the interest rates borne by assets and liabilities do not change at the same speed, to the same extent or on the same basis. To that end, management actively monitors and manages its interest rate exposure.

Asset and liability management is concerned with the timing and magnitude of the repricing of assets and liabilities. It is PBOC's objective to control risks associated with interest rate movements within tolerances approved by its Board of Directors. In general, management's strategy is to match asset and liability balances within maturity and repricing categories to limit PBOC's exposure to earnings variations and variations in the value of assets and liabilities as interest rates change over time.

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*Interest Rate Risk*

Interest rate risk is inherent in financial institutions and financial services companies. Interest rate risk results from assets and liabilities maturing or repricing at different times, from assets and liabilities repricing at the same time but in different amounts or from short-term and long-term interest rates changing by different amounts. Generally speaking, the rates of interest that PBOC earns on its assets, and pays on its liabilities, are established contractually for specified periods of time. Market interest rates change over time and if a financial institution cannot quickly adapt to interest rate changes, it may be exposed to volatility in earnings. For instance, if PBOC were to fund long-term fixed rate assets with short-term variable rate deposits and interest rates were to rise over the term of the assets, the short-term variable rate deposits would rise in cost and adversely affect net interest income. Similar risks exist when rate sensitive assets (for example, prime rate-based loans) are funded by longer-term fixed rate liabilities in a falling interest rate environment.

To manage its interest risk, PBOC uses two primary measurement processes on a quarterly basis to quantify and manage exposure to interest rate risk: net interest income and net income simulations and economic value of equity analyses. Net interest income and net income simulations are used to identify the direction and severity of interest rate risk exposure over a 12- and 24-month forecast horizon. Economic value of equity analyses are used to estimate the price sensitivity of shareholders' equity to changes in interest rates.

PBOC also uses gap analysis to provide insight into mismatches of asset and liability cash flows. The interest rate sensitivity gap is determined by subtracting the amount of liabilities from the amount of assets that reprice during a particular time interval. A liability-sensitive position results when more assets than liabilities reprice within a given period. Conversely, an asset-sensitive position results when more assets than liabilities reprice within a given period.

As of September 30, 2012, PBOC was neutral or asset sensitive at measured time horizons, with a negative cumulative one-year gap of \$10 million or 1% of total assets and a positive cumulative five-year gap of \$174 million or 25% of total assets. As more of its assets than liabilities will reprice over a five-year horizon, PBOC will realize higher net interest income in a rising rate environment and lower net interest income in a falling interest rate environment with all other conditions remaining constant.

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The following table sets forth the interest rate sensitivity of PBOC's interest-earning assets and interest-bearing liabilities as of September 30, 2012 using the interest rate sensitivity gap ratio. For the purposes of the following table, an asset or liability is considered rate-sensitive within a specified period when it can be repriced or matures within its contractual terms. Actual repricing patterns may differ from contractual repricing patterns.

	As of September 30, 2012 Amounts Subject to Repricing Within: (\$ in Thousands)					Total
	Within Three Months	After Three Months But Within One Year	After One Year But Within Five Years	After Five Years	Non-Rate Sensitive	
<b>Assets:</b>						
Cash and cash equivalents	\$ 8,247				28,391	36,638
Interest-bearing time deposits in other banks		735				735
Securities available-for-sale	16,516	46,156	151,613	92,793	6,112	313,190
Loans, net	214,610	36,076	57,497	19,238	(1,504)	325,917
Other assets					8,593	8,593
<b>Total assets</b>	<b>\$ 239,373</b>	<b>82,967</b>	<b>209,110</b>	<b>112,031</b>	<b>41,592</b>	<b>685,073</b>
<b>Liabilities and shareholders' equity:</b>						
Demand deposits	\$				272,863	272,863
Interest-bearing demand deposits	2,139		8,555	10,693		21,387
Savings and money market deposits	210,070					210,070
Time deposits	29,999	40,363	6,301		(492)	76,171
Other borrowings	47,127	2,500				49,627
Noninterest-bearing liabilities and shareholders' equity			10,000		44,955	54,955
<b>Total liabilities and shareholders' equity</b>	<b>\$ 289,335</b>	<b>42,863</b>	<b>24,856</b>	<b>10,693</b>	<b>317,326</b>	<b>685,073</b>
Interest rate sensitivity gap	\$ (49,962)	40,104	184,254	101,338		
Cumulative interest rate sensitivity gap	\$ (49,962)	(9,858)	174,396	275,734		
As a percentage of total assets:						
Interest rate sensitivity gap	(7.29%)	5.85%	26.90%	14.79%		
Cumulative interest rate sensitivity gap	(7.29%)	(1.44%)	25.46%	40.25%		

**Liquidity and Capital Resources***Liquidity*

Liquidity is PBOC's ability to maintain sufficient cash flow to meet obligations as they come due, fund loan demand and take advantage of investment opportunities as they arise. Changes in liquidity can be anticipated or unanticipated. PBOC actively manages its liquidity on a daily basis because adequate liquidity is essential to address balance sheet fluctuations without causing undue rise in cost, risk or disruption to normal operating conditions. In addition, the Asset-Liability Management Committee and the Board of Directors periodically reviews PBOC's liquidity position.

PBOC's principal sources of liquidity have been deposit growth and principal and interest payments on loans and securities available-for-sale. To supplement these primary sources of liquidity, PBOC maintains contingent funding sources, which include unsecured overnight borrowing lines of credit totaling \$9,000,000 with two of its correspondent banks and secured borrowing facilities at the Federal Home Loan Bank of San Francisco ( FHLBSF ) and the Federal Reserve Bank of San Francisco ( FRBSF ). At September 30, 2012, PBOC had a borrowing capacity of \$73 million and \$150 million at the FHLBSF and FRBSF, respectively.



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At September 30, 2012, PBOC had outstanding FHLBSF advances totaling \$50 million, maturing at various dates through January 2013 at a weighted average interest rate of .30%.

*Capital Resources*

Total shareholders' equity was \$52 million at September 30, 2012, compared to \$49 million and \$40 million at December 31, 2011 and 2010, respectively. The primary reasons for the noted increases in total shareholders' equity have been net income, increases in the unrealized gain on securities available for sale and participation in the Small Business Lending Fund ( SBLF ) program of the United States Department of Treasury ( Treasury ).

In connection with its participation in the SBLF program, PBOC issued 10,000 shares of Variable Rate Cumulative Perpetual Preferred Stock, Series C ( Series C Preferred Stock ) and received \$10 million from Treasury on September 1, 2011. Some of the Series C Preferred Stock proceeds were used to simultaneously liquidate Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A and B, previously issued Treasury in connection with the Treasury's Capital Purchase Program for the redemption value of \$5.7 million.

The Series C Preferred Stock shares qualify as Tier 1 capital and pay quarterly dividends at a variable annual rate that can range from 1% to 9%. Based upon its SBLF qualified lending results through September 30, 2012, PBOC of California has qualified for the 1% dividend rate. For the nine months ended September 30, 2012 and the year ended December 31, 2011, SBLF dividends paid totaled \$75,000 and \$33,000, respectively.

Management is committed to maintaining capital at a level to assure shareholders, customers and regulators that PBOC is financially sound and able to support its growth from its retained earnings. PBOC is subject to risk-based capital regulations adopted by the federal banking regulators. These guidelines are used to evaluate capital adequacy and are based on an institution's asset risk profile and off-balance sheet exposures. The risk-based capital guidelines assign risk weightings to assets both on- and off-balance sheet and place increased emphasis on common equity in the capital structure. According to the regulations, institutions whose Tier 1 risk-based capital ratio, total risk-based capital ratio and leverage ratio meet or exceed 6%, 10% and 5%, respectively, are generally deemed to be well-capitalized. Based on these guidelines, PBOC's Tier 1 and total risk-based capital ratios at September 30, 2012 were 13.49% and 14.74%, compared to 14.54% and 15.80% at December 31, 2011, respectively, and 17.50% and 18.76% at December 31, 2010, respectively. PBOC's leverage ratio was 7.33% at September 30, 2012, compared to 8.01% and 9.50% at December 31, 2011 and 2010, respectively. All of PBOC's capital ratios were above the minimum regulatory requirements for a well-capitalized institution.

**Contractual Obligations**

As of September 30, 2012, PBOC had contractual obligations for the following payments, by type and period due:

Contractual Obligations - Payments Due by Period  
(\$ in Thousands)