

FIRST PACTRUST BANCORP INC
Form DEF 14A
April 25, 2011
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SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

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FIRST PACTRUST BANCORP, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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April 25, 2011

Dear Fellow Shareholder:

On behalf of the Board of Directors and management of First PacTrust Bancorp, Inc., we cordially invite you to attend the Annual Meeting of Shareholders of the Company. The meeting will be held at 9:00 a.m., local time, on May 25, 2011 at the Bonita Golf Club, located at 5540 Sweetwater Road, Bonita, California. The meeting will include management's report to you on the Company's 2010 financial and operating performance.

An important aspect of the Annual Meeting process is the shareholder vote on corporate business items. I urge you to exercise your rights as a shareholder to vote and participate in this process. Shareholders are being asked to consider and vote upon: (1) the election of two directors of the Company; (2) the approval of the Company's 2011 Omnibus Incentive Plan; (3) an advisory (non-binding) vote on executive compensation, commonly referred to as a say on pay vote; and (4) an advisory (non-binding) vote on the frequency of holding future say on pay votes.

Whether or not you plan to attend the Annual Meeting, **please read the enclosed proxy statement and then complete, sign and date the enclosed proxy card and return it in the accompanying postpaid return envelope as promptly as possible.** Registered shareholders, that is, shareholders who hold their stock in their own names, can also vote their shares by telephone or via the internet. If your shares are held through a bank, broker or other nominee, check your proxy card to see if you can also vote by telephone or the internet. Voting promptly will save the Company additional expense in soliciting proxies and will ensure that your shares are represented at the meeting.

Your Board of Directors and management are committed to the success of the Company and the enhancement of the value of your investment. As President and Chief Executive Officer, I want to express my appreciation for your confidence and support.

Very truly yours,

Gregory A. Mitchell
President and Chief Executive Officer

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FIRST PACTRUST BANCORP, INC.

610 Bay Boulevard

Chula Vista, California 91910

(619) 691-1519

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 25, 2011

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of First PacTrust Bancorp, Inc. (the Company) will be held as follows:

TIME	9:00 a.m. local time
DATE	May 25, 2011
PLACE	5540 Sweetwater Road, Bonita, California
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect two directors, each for a term of three years.(2) To approve the First PacTrust Bancorp, Inc. 2011 Omnibus Incentive Plan.(3) An advisory (non-binding) vote on executive compensation, commonly referred to as a say on pay vote.(4) An advisory (non-binding) vote on the frequency of holding future say on pay votes.(5) Such other business as may properly come before the meeting and any adjournment or postponement of the meeting.
RECORD DATE	Holders of record of the Company's voting common stock at the close of business on April 18, 2011 will be entitled to vote at the meeting or any adjournment or postponement of the meeting.
ANNUAL REPORT	The Company's 2010 Annual Report to Shareholders is enclosed.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the enclosed proxy card. Registered shareholders, that is, shareholders who hold their stock in their own names, can also vote their shares by telephone or via the internet. If your shares are held through a bank, broker or other nominee, check your proxy card to see if you can also vote by telephone or the internet. Regardless of the number of shares you own, your vote is very important. Please act today.

BY ORDER OF THE BOARD OF DIRECTORS

Gregory A. Mitchell
President and Chief Executive Officer

Chula Vista, California

April 25, 2011

Important: The prompt return of proxies will save us the expense of further requests for proxies to ensure a quorum at the annual meeting. A pre-addressed envelope is enclosed for your convenience. No postage is required if mailed within the United States.

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting To Be Held on May 25, 2011.

The Company's Proxy Statement and Annual Report to Shareholders are available on the Internet at <http://www.firstpactrustbancorp.com> (click on the Investor Relations Information link, then click on link marked Annual Meeting Materials).

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FIRST PACTRUST BANCORP, INC.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 25, 2011

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FIRST PACTRUST BANCORP, INC.

610 Bay Boulevard

Chula Vista, California 91910

(619) 691-1519

PROXY STATEMENT

INTRODUCTION

The Board of Directors of First PacTrust Bancorp, Inc. (First PacTrust, the Company, we, us and our) is using this proxy statement to solicit proxies from the holders of the Company's voting common stock, par value \$0.01 per share (the Voting Common Stock) for use at the upcoming Annual Meeting of Shareholders of the Company and at any adjournments or postponements thereof. The meeting will be held on May 25, 2011 at 9:00 a.m., local time, at the Bonita Golf Club, located at 5540 Sweetwater Road, Bonita, California. At the meeting, shareholders will be asked to vote on four items: (i) the election of two directors of the Company, each to serve for a term of three years; (ii) the approval of the First PacTrust Bancorp, Inc. 2011 Omnibus Incentive Plan; (iii) an advisory (non-binding) vote on executive compensation, commonly referred to as a say on pay vote; and (iv) an advisory (non-binding) vote on the frequency of holding future say on pay votes. These items are described in more detail below. Shareholders also will consider any other matters that may properly come before the meeting or any adjournment or postponement of the meeting, although the Board of Directors knows of no other business to be presented. Some of the information in this proxy statement relates to Pacific Trust Bank, a wholly owned subsidiary of the Company. Pacific Trust Bank is sometimes referred to in this proxy statement as the Bank.

By submitting your proxy, you authorize the Company's Board of Directors to represent you and vote your shares at the meeting in accordance with your instructions. The Board also may vote your shares to adjourn the meeting from time to time and will be authorized to vote your shares at any adjournments or postponements of the meeting.

The Company's Annual Report to Shareholders for the fiscal year ended December 31, 2010, which includes the Company's audited financial statements, is enclosed. Although the Annual Report is being mailed to shareholders with this proxy statement, it does not constitute a part of the proxy solicitation materials and is not incorporated into this proxy statement by reference.

This proxy statement and the accompanying materials are being mailed to shareholders on or about April 25, 2011, and are also available on the Internet at <http://www.firstpactrustbancorp.com> (click on the Investor Relations Information link, then click on link marked Annual Meeting Materials).

Your vote is important. Whether or not you plan to attend the meeting, please submit your proxy promptly either in the enclosed envelope, by telephone or via the internet.

INFORMATION ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, shareholders will be asked to vote on the following items:

1. Election of two directors of the Company, each for a term of three years.
2. Approval of the Company's 2011 Omnibus Incentive Plan.

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3. An advisory (non-binding) vote on executive compensation, commonly referred to as a say on pay vote.

4. An advisory (non-binding) vote on the frequency of holding future say on pay votes.

Shareholders also will act on any other business that may properly come before the meeting or any adjournment or postponement of the meeting. Members of our management team will be present at the meeting to respond to your questions.

Who is entitled to vote?

The record date for the meeting is April 18, 2011. Only holders of record of the Voting Common Stock as of the close of business on that date are entitled to notice of and to vote at the meeting. Each shareholder is entitled to one vote for each share of Voting Common Stock held as of the record date; provided, however, that under Section F of Article 6 of the Company's charter, no shareholder who beneficially owns more than 10.0% of the shares of Voting Common Stock outstanding of that date may vote shares held in excess of that amount. At the close of business on the record date, there were 8,692,910 shares of Voting Common Stock outstanding.

What if my shares are held in street name by a broker?

If your shares are held in street name by a broker, your broker is required to vote your shares in accordance with your instructions. If you do not give instructions to your broker, your broker will nevertheless be entitled to vote your shares with respect to any discretionary items, but will not be permitted to vote your shares with respect to non-discretionary items. In the case of non-discretionary items, your shares will be treated as broker non-votes. Whether an item is discretionary is determined by the exchange rules governing your broker. All of the items being voted on at the meeting are expected to be non-discretionary items.

What if my shares are held in the Company's 401(k) Employee Stock Ownership Plan?

If you are a participant in the Company's 401(k) Employee Stock Ownership Plan, the plan trustee is required to vote all shares allocated to your account under the employee stock ownership plan (ESOP) portion of the plan in accordance with your instructions. If you do not instruct the trustee how to vote your allocated ESOP shares, the trustee will vote your allocated ESOP shares in the manner directed by the plan administrators (who currently are officers appointed by the Company's Board of Directors). The trustee must vote the unallocated ESOP shares in the same proportion as it is instructed to vote the allocated ESOP shares. For example, if on a particular proposal the trustee was instructed to vote 60% of the allocated ESOP shares FOR, 35% of the allocated ESOP shares AGAINST and 5% of the allocated ESOP shares ABSTAIN, the trustee would vote 60% of the unallocated ESOP shares FOR, 35% of the unallocated ESOP shares AGAINST and 5% of the unallocated ESOP shares ABSTAIN.

Participants are entitled to instruct the trustee how to vote any shares held in their accounts under the 401(k) plan portion of the plan. To the extent no instructions are given, the trustee must vote the shares in the manner directed by the plan administrators.

How many shares must be present to hold the meeting?

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of at least one-third of the shares of Voting Common Stock outstanding on the record date will constitute a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

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What if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the meeting, the shareholders who are represented may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken. An adjournment will have no effect on the business that may be conducted at the meeting.

How do I vote?

1. *You can vote by mail.* If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions.
2. *You can vote by telephone.* If you are a registered shareholder, that is, if your shares are held in your own name, you can vote by telephone by following the instructions included on the proxy card. If you vote by telephone, you do not have to mail in your proxy card. If your shares are held through a bank, broker or other nominee, check your proxy card to see if you can vote by telephone.
3. *You can vote via the internet.* If you are a registered shareholder, you can vote via the internet by following the instructions included on the proxy card. If your shares are held through a bank, broker or other nominee, check your proxy card to see if you can also vote via the internet.
4. *You can vote in person at the meeting.* If you plan to attend the annual meeting and wish to vote in person, we will give you a ballot at the annual meeting. Note, however, that if your shares are held in the name of your broker, bank or other nominee, you will need to obtain a legal proxy from the holder of your shares indicating that you were the beneficial owner of those shares on April 18, 2011, the record date for voting at the meeting, and that you are authorized to vote such shares. You are encouraged to vote by proxy prior to the meeting even if you plan to attend the meeting in person.

Can I change my vote after I submit my proxy?

Yes. If you are a registered shareholder, you can revoke your proxy and change your vote at any time before the polls close at the meeting by:

signing another proxy with a later date;

giving written notice of the revocation of your proxy to the Company's Secretary prior to the annual meeting; or

voting in person at the annual meeting. Your proxy will not be automatically revoked by your mere attendance at the meeting; you must actually vote at the meeting to revoke a prior proxy.

If you hold your shares through a bank, broker or other nominee, you will need to follow the instructions of your bank, broker or other nominee in order to change your vote.

How does the Board of Directors recommend I vote on the items to be considered at the annual meeting?

The Board of Directors recommends that you vote:

FOR the election of the two director nominees to the Board of Directors.

FOR approval of the Company's 2011 Omnibus Incentive Plan.

FOR approval of the advisory (say on pay) vote on executive compensation.

For ONE YEAR (meaning every year) on the frequency of future say on pay votes.

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What if I do not specify how my shares are to be voted?

Registered Shareholders. If you are a registered shareholder and you submit an executed proxy but do not indicate any voting instructions, your shares will be voted:

FOR the election of the two director nominees to the Board of Directors.

FOR approval of the Company's 2011 Omnibus Incentive Plan.

FOR approval of the advisory vote on executive compensation.

For ONE YEAR on the frequency of future say on pay votes.

Holders of Shares in Street Name. If you hold your shares in street name through a broker and do not provide your broker with voting instructions, it is expected that your broker will be unable to vote your shares. See "What if my shares are held in street name by a broker?"

Will any other business be conducted at the meeting?

The Board of Directors knows of no other business that will be presented at the meeting. If any other matter properly comes before the shareholders for a vote at the meeting, the Board of Directors, as holder of your proxy, will vote your shares in accordance with its best judgment.

How many votes are required to elect the director nominees?

The affirmative vote of a plurality of the votes cast at the meeting is required to elect the nominees as directors. This means that the two director nominees will be elected if they receive more affirmative votes than any other persons nominated for election. No persons have been nominated for election other than the two nominees named in this proxy statement. If you vote "Withhold" with respect to the election of either or both nominees, your shares will not be voted with respect to the person or persons indicated, although your shares will be counted for purposes of determining whether there is a quorum.

How many votes are required to approve each of the other items?

The affirmative vote of a majority of the votes cast on the matter is required to approve the Company's 2011 Omnibus Incentive Plan and the advisory (say on pay) vote on executive compensation. Shareholders may vote FOR, AGAINST or ABSTAIN on each of these matters. The

outcome of the say on pay vote is not binding on the Board of Directors.

For the advisory vote on the frequency of future say on pay votes, shareholders may vote for a frequency of ONE YEAR, TWO YEARS, THREE YEARS or ABSTAIN on this matter. The choice receiving the greatest number of votes one year, two years or three years will be the frequency that shareholders will be deemed to have approved. The outcome of the say on pay frequency vote is not binding on the Board of Directors.

What happens if a nominee is unable to stand for election?

If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the Board of Directors, as holder of your proxy, will vote your shares for the substitute nominee unless you have withheld authority to vote for the nominee replaced.

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How will abstentions be treated?

If you abstain from voting, your shares will still be included for purposes of determining whether a quorum is present. Because directors will be elected by a plurality of the votes cast, abstaining is not offered as a voting option for the election of directors. An abstention on any of the other items will not be counted as a vote cast and will have no effect on the item.

How will broker non-votes be treated?

Shares treated as broker non-votes on one or more items will be included for purposes of calculating the presence of a quorum but will not be counted as votes cast. Consequently, broker non-votes will have no effect on any of the items to be voted on at the meeting.

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STOCK OWNERSHIP

Stock Ownership of Significant Shareholders, Directors and Executive Officers

The following table shows, as of April 18, 2011, the beneficial ownership of the Voting Common Stock by:

those persons or entities known by management to beneficially own more than five percent of the outstanding shares of Voting Common Stock;

each director and director nominee of the Company;

each executive officer of the Company and the Bank named in the Summary Compensation Table appearing below; and

all of the executive officers and directors of the Company and the Bank as a group.

The address of each of the beneficial owners, except where otherwise indicated, is the same address as the Company's. As of April 18, 2011, there were 8,692,910 shares of Voting Common Stock issued and outstanding.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the SEC). In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Voting Common Stock subject to outstanding options to purchase shares of Voting Common Stock held by that person that are currently exercisable or exercisable within 60 days are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. As of April 18, 2011, none of the Company's directors and executive officers had options to purchase shares of Voting Common Stock that were exercisable as of or within 60 days after that date.

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<u>Name of Beneficial Owner</u>	<u>Beneficial Ownership</u>	<u>Percent of Voting Common Stock Outstanding</u>
<i>Significant Shareholders</i>		
America Start-Up Institutions Investments I, L.P., et al. 200 Ransom Way Monterey Park, California 91755(1)	620,507	7.1%
St. Cloud Capital Partners II, LP, et al. 10866 Wilshire Boulevard, #1450 Los Angeles, California 90024(2)	575,052	6.6%
Steven Sugarman, et al. 233 Wilshire Boulevard, Suite 830 Santa Monica, California 90401(3)	451,633	5.2%
First PacTrust Bancorp, Inc. 401(k) Employee Stock Ownership Plan 610 Bay Boulevard Chula Vista, CA 91910(4)	482,124	5.5%
<i>Directors and Named Executive Officers(5)</i>		
Alvin L. Majors, Chairman of the Board	77,365	0.9%
Gregory A. Mitchell, President and Chief Executive Officer and Director	59,412	0.7%
Francis P. Burke, Director	52,246	0.6%
Timothy R. Chrisman, Director	9,091	0.1%
Hans R. Ganz, President and Chief Executive Officer of the Bank and Director	127,349	1.5%
Kenneth W. Scholz, Director	68,547	0.8%
Jeffrey T. Seabold, Director	31,600	0.4%
Steven Sugarman, Director(3)	451,633	5.2%
Donald A. Whitacre, Director	43,600	0.5%
James P. Sheehy, Executive Vice President, Secretary and Treasurer	49,964	0.6%
Melanie M. Yaptangco, Executive Vice President, Lending	75,439	0.9%
Directors and executive officers of First PacTrust Bancorp, Inc. as a group (16 persons)(5)	1,095,383	12.6%