FIRST PACTRUST BANCORP INC
Form 424B5
June 23, 2011
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-170622

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 23, 2010)

207,360 Shares of Voting Common Stock

We are offering for sale to St. Cloud Capital Partners II, L.P. and TCW Shared Opportunities Fund V, L.P. (the Existing Investors), pursuant to existing contractual rights provided to them into in connection with the $60.0 million common stock offering we completed in November 2010, 207,360 shares of our voting common stock at a price of $14.6475 per share. This price is the same as the price per share to the public, net of underwriting discounts and commissions, in a separate, underwritten public offering (the Separate Public Offering) of 1,583,641 shares of our voting common stock that we are conducting concurrently with this offering. We have granted the underwriters of the Separate Public Offering an option to purchase up to 237,546 additional shares of our voting common stock, within 30 days from the date of this prospectus supplement, solely to cover over-allotments, if any. To the extent the underwriters exercise that option, we will offer and sell to the Existing Investors additional shares of voting common stock (the Additional Shares), with the percentage of Additional Shares to be purchased by each of them equal to the same percentage of the over-allotment option exercised by the underwriters.

Our voting common stock is listed on the NASDAQ Global Market under the symbol FPTB. On June 21, 2011, the last reported sale price of our voting common stock on the NASDAQ Global Market was $16.26 per share.

Investing in our voting common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement before you make your investment decision.

	Per Share	Total
Offering price	$ 14.6475	$ 3,037,306
Underwriting discount[(1)]		
Proceeds, before expenses, to us[(2)]	$ 14.6475	$ 3,037,306

(1) We will not pay any underwriting discounts or any commissions or fees to any underwriter or placement agent in connection with this offering.
(2) We anticipate the total expenses of this offering, including reimbursement of the purchasers for certain of their expenses, to be approximately $10,000.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

It is currently anticipated that the closing date of this offering will be on or about June 28, 2011. The closing of this offering is subject to the consummation of the separate, underwritten public offering.

The date of this prospectus supplement is June 22, 2011.

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Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of each document regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of these securities. In case there are any differences or inconsistencies between this prospectus supplement, the accompanying prospectus and the information incorporated by reference, you should rely on the information in the document with the latest date.

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About This Prospectus Supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us, the voting common stock offered hereby and other securities that we may offer from time to time, some of which information may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of this offering in the prospectus supplement differs from the description in the accompanying prospectus or any document incorporated by reference filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement.

We are offering to sell, and seeking offers to buy, shares of our voting common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the voting common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the voting common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any voting common stock offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, we may sell any combination of securities described in the accompanying prospectus in one or more offerings from time to time. Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our common stock and other information you should know before investing. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement.

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

Unless otherwise indicated or unless the context requires otherwise, references in this prospectus supplement to First PacTrust Bancorp, the Company, we, us, our or similar references mean First PacTrust Bancorp, Inc. and its consolidated subsidiaries and references to Pacific Trust Bank, or the Bank mean Pacific Trust Bank, a federal savings bank and wholly owned subsidiary of First PacTrust Bancorp, Inc.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on its public reference room. Our SEC filings are also available to the public at the SEC s web site at http://www.sec.gov.

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Incorporation of Certain Documents By Reference

The SEC allows us to incorporate by reference the information in documents we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically supersede this information. We incorporate by reference the documents listed below and any documents we file with the SEC after the date of this prospectus supplement under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and before the date that the offering of securities by means of this prospectus supplement is completed (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our Annual Report on Form 10-K for the year ended December 31, 2010, including the information we incorporated by reference in our Form 10-K from our definitive proxy statement for our 2011 Annual Meeting of Shareholders (filed on April 25, 2011);
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011; and
- our Current Reports on Form 8-K filed on January 5, 2011, January 27, 2011, February 24, 2011, February 25, 2011, February 28, 2011, March 4, 2011, March 23, 2011, May 2, 2011, May 3, 2011, May 10, 2011, May 12, 2011, May 26, 2011 (two reports), May 31, 2011 (two reports), June 6, 2011, June 9, 2011, June 17, 2011 and June 22, 2011.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or calling us at Investor Relations, First PacTrust Bancorp, Inc., 610 Bay Boulevard, Chula Vista, California 91910, telephone: (619) 691-1519.

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Special Cautionary Notice Regarding Forward-Looking Statements

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act.

Forward-looking statements, which are based on certain assumptions and describe our future goals, plans, strategies, and expectations, are generally identified by use of words such as anticipate, believe, estimate, expect, intend, plan, project, seek, strive, try, or futu verbs such as will, would, should, could, may, or similar expressions. Our ability to predict results or the actual effects of our plans or strateg is inherently uncertain, and we can give no assurance that our plans, intentions or expectations will be achieved or realized. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this prospectus supplement, the accompanying prospectus or any document incorporated by reference. Important factors that could cause actual results to differ materially from our forward-looking statements include, but are not limited to, the following:

- expected cost savings, synergies and other benefits from our merger and acquisition activities, including our pending acquisition of Gateway Bancorp, might not be realized within the anticipated time frames or at all, might result in goodwill charges and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected;

- continuation or worsening of current recessionary conditions, as well as continued turmoil in the financial markets;

- the credit risks of lending activities, which may be affected by further deterioration in the real estate markets, may lead to increased loan delinquencies, losses and nonperforming assets in our loan portfolio, and may result in our allowance for loan losses not being adequate to cover actual losses and require us to materially increase our loan loss reserves;

- the quality and composition of our securities portfolio;

- changes in general economic conditions, either nationally or in our market areas;

- changes in the levels of general interest rates, and the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources;

- fluctuations in the demand for loans, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area;

- results of examinations of us by regulatory authorities, including the Bank s compliance with the memorandum of understanding it entered into with the Office of Thrift Supervision (the OTS), and the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan losses, write-down asset values, increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;

- legislative or regulatory changes that adversely affect our business, including changes in the interpretation of regulatory capital or other rules;

our ability to control operating costs and expenses;

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- staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges;
- errors in our estimates in determining fair value of certain of our assets, which may result in significant declines in valuation;
- the network and computer systems on which we depend could fail or experience a security breach;
- our ability to attract and retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and saving habits;
- adverse changes in the securities markets;
- earthquake, fire or other natural disasters affecting the condition of real estate collateral;
- the availability of resources to address changes in laws, rules or regulations or to respond to regulatory actions;
- inability of key third-party providers to perform their obligations to us;
- changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business or final audit adjustments, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods;
- war or terrorist activities; and
- other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described elsewhere in this prospectus supplement, the accompanying prospectus and the incorporated documents.

Some of these and other factors are discussed in this prospectus supplement under the caption Risk Factors and elsewhere in this prospectus supplement and in the incorporated documents. Such developments could have an adverse impact on our business, financial condition and results of operations.

Any forward-looking statements are based upon management s beliefs and assumptions at the time they are made. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus supplement or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this prospectus supplement or the incorporated documents might not occur, and you should not put undue reliance on any forward-looking statements.

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Prospectus Supplement Summary

The following summary contains basic information about us and this offering. Because it is a summary, it does not contain all the information that may be important to you. Before making an investment decision, you should read the entire prospectus supplement and accompanying prospectus carefully, including the section entitled Risk Factors and the documents incorporated by reference herein, including the financial statements and the accompanying notes contained in such documents. Unless otherwise indicated, all share information in this prospectus supplement assumes no exercise of the underwriters over-allotment option granted in connection with the Separate Public Offering.

Our Company

General

We are a savings and loan holding company incorporated in the state of Maryland, primarily engaged in the business of planning, directing and coordinating the business activities of our wholly owned subsidiary, Pacific Trust Bank, a federally chartered savings bank. We are a 70 year-old, community-oriented financial institution offering a variety of financial services to meet the needs of the communities we serve. We are headquartered in Chula Vista, California, a suburb of San Diego, and currently have 11 banking offices, primarily serving San Diego and Riverside Counties, California, two of which opened in 2011. Subject to regulatory approvals, two additional banking offices are expected to open in the second half of 2011, both in Los Angeles County, California. Our principal business consists of attracting retail deposits from the general public and investing these funds primarily in permanent loans secured by first mortgages on owner-occupied, one-to four-family residences and a variety of consumer loans. We also originate loans secured by multi-family and commercial real estate and, to a lesser extent, commercial business loans. As of March 31, 2011, we had total consolidated assets of $835.0 million, total net loans of $670.6 million, total deposits of $634.4 million and total shareholders equity of $135.7 million.

Our mission statement is to be the premier community bank in southern California, serving the needs of growing families, high net worth individuals, professionals and small to mid-sized businesses and their owners. Toward this end, we recently adopted a new business plan aimed at completing our transformation from a traditional thrift to a full-service community bank through a combination of organic growth and acquisitions. Our first step in executing that plan was the completion in November 2010 of a $60.0 million common stock offering, which enabled us to repay our TARP funding in full and repurchase the warrant we issued to the U.S. Treasury. That transaction also facilitated the recruitment of our new senior management team, including our President and Chief Executive Officer, Gregory A, Mitchell, who has a diverse background as a former regulator, investment banker and chief executive officer of a commercial bank with $7.7 billion in assets and 68 offices located throughout southern California.

Recent Developments

On June 6, 2011, we entered into a definitive agreement to acquire for cash all of the outstanding stock of Gateway Bancorp, the privately held holding company for Gateway Business Bank, Cerritos, California. At March 31, 2011, Gateway Business Bank had total assets of $187.1 million, total gross loans of $99.5 million and total deposits of $154.0 million. The acquisition includes Mission Hills Mortgage Bankers, the mortgage banking operating division of Gateway Business Bank. Mission Hills has originated over $4.0 billion of mostly prime mortgage loans since 2006, a majority of which have been sold servicing-released through correspondent relationships with money center banks. In the transaction, Gateway Bancorp shareholders will receive aggregate consideration of up to $17.0 million, up to $14.5 million of which will be payable at closing, with the remaining $2.5 million to be held in escrow for up to three years after closing to cover the risk that we may be required to repurchase mortgage loans sold by Gateway Business Bank. The transaction, which has already been approved by Gateway s shareholders, is expected to close in the second half of 2011, subject to regulatory approvals and other customary closing conditions.

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The acquisition of Gateway Bancorp is expected to increase our consolidated assets above $1.0 billion and diversify our revenue stream through the Mission Hills Mortgage Bankers origination platform. Gateway Business Bank has two banking offices, one in Los Angeles County and the other in Orange County, California. When the two Gateway banking offices are added to our 11 existing banking offices and the two additional new offices we plan to open later in 2011, we will have a total of 15 banking offices and a broad presence throughout Southern California. In addition, Mission Hills has 22 loan production offices, located throughout California, northern Arizona and Oregon.

Our Business Strategy

Our business strategy centers on our continued transformation from a traditional thrift to a full-service community bank. We seek to accomplish this through controlled growth in our banking operations, especially in the area of commercial real estate lending, while maintaining our community-oriented customer service and sales focus. We expect that our growth will come organically, as well as through acquisition opportunities, both of which we believe will be enhanced significantly by the larger capital base that this offering will provide to us. The primary components of our business strategy are as follows:

Continue growing organically in our existing markets and expanding into neighboring regions. We believe there is a large potential customer base in our market area and the surrounding areas that is dissatisfied with the service received from larger regional banks. By offering quicker decision making in the delivery of banking products and services, offering customized products where appropriate, and providing customer access to our senior managers, we hope to distinguish ourselves from larger, regional banks operating in our market areas. At the same time, we believe that the diminished supply of lenders in southern California resulting from bank failures and other banks in troubled condition also creates opportunities for us. We plan to open up to four new banking offices per year in strategic growth locations, with the opportunity to secure additional branch growth from potential acquisitions. By staffing these offices with well-respected community bankers and delivering a relevant and attractive set of products and services to our customers and communities, we believe we will be better able to compete against institutions of all sizes throughout southern California.

Expand through acquisitions as opportunities present themselves. We are committed to continuing the controlled expansion of our franchise through strategic and rational acquisitions designed to increase our market share. We believe that consolidation across the community bank landscape will continue to take place and further believe that, with our solid capital and liquidity positions, focus on community banking, disciplined approach to lending and credit services, publicly traded common stock, and the extensive acquisition experience of our new senior management team, we will be become attractive to other community banks and financial intermediaries seeking a quality merger partner. We believe that these opportunities may come through traditional merger and acquisition transactions, such as our pending acquisition of Gateway Bancorp, as well as asset sales by the FDIC and other strategically important partnerships. The two banking offices we opened earlier this year were acquired from the FDIC.

Expanding our product offerings. We intend to continue our emphasis on originating lending products that diversify our loan portfolio by increasing the percentage of our assets consisting of higher-yielding commercial real estate loans and, to a lesser extent, commercial business loans with higher risk-adjusted returns, shorter maturities and favorable sensitivity to interest rate fluctuations, while still providing high quality loan products for single-family residential borrowers. We also intend to selectively add products to provide diversification of revenue sources and to capture our customer s full relationship. We intend to continue to expand our business by cross selling our loan and deposit products and services to our customers in order to increase our fee income.

Increasing our core transaction deposits. A fundamental part of our overall strategy is to improve both the level and the mix of deposits that serve as a funding base for asset growth. By growing demand deposit accounts and other transaction accounts, we intend to reduce our reliance on higher-cost certificates of deposit and borrowings such as Federal Home Loan Bank advances. Toward this end, we were recently approved to receive low cost public fund deposits from the State of California. In order to expand our core deposit franchise, we intend to seek new customers throughout our expanding branch network, introduce additional products and services and place renewed emphasis on cross selling our deposit products and services to existing customers. Business deposits will be pursued by the introduction of cash management products and by specific targeting of small business customers.

Hiring experienced employees with a customer service focus. Our ability to continue to attract and retain banking professionals with strong business banking and service skills, community relationships and significant knowledge of our markets is key to our success. We believe that by focusing on experienced bankers who are established in their communities and embrace our vision of becoming the bank of choice and employer of choice in California, we can enhance our market position and add profitable growth opportunities. We emphasize to our employees the importance of delivering exemplary customer service and seeking opportunities to deepen customer relationships.

Our Senior Management Team

To execute our business strategy, we began putting into a place a new senior management team following the completion of our $60.0 million common stock offering in November 2010. These team members have extensive experience and skills in the mergers and acquisitions area, having collectively overseen the acquisition and integration of more than 17 banks in California. Several of these team members previously worked together at California National Bank. This team oversaw the organic and acquisitive growth of California National Bank from a five branch operation with approximately $600 million in assets to a commercial bank with $7.7 billion in assets that operated through 68 offices in five California counties. Set forth below is background information on our senior management team.

Gregory A. Mitchell. Mr. Mitchell became a director and the President and Chief Executive Officer of our Company on November 1, 2010 following completion of the $60.0 million common stock offering, and was appointed as President and Chief Executive Officer of the Bank effective May 31, 2011 upon the retirement of Hans Ganz. Mr. Mitchell served as a consultant to us from May 2010 until the closing of the common stock offering. Prior to becoming a consultant to us, Mr. Mitchell served in various roles with California National Bank, including Chief Executive Officer and President, from 2001 until October 2009. He also served as Chairman of the Board of Pacific National Bank (San Francisco) from 2004 through 2009. Prior to joining California National Bank, Mr. Mitchell was a Partner with Hovde Financial, where he was responsible for the formation and management of its West Coast investment banking, financial advisory and fund management practice. Mr. Mitchell also served for ten years with the Office of Thrift Supervision, where he was responsible for, among other things, helping to recapitalize and restructure troubled thrift institutions.

Marangal I. Domingo. Mr. Domingo became Executive Vice President and Chief Financial Officer of First PacTrust Bancorp and the Bank on May 6, 2011. Prior to joining us, Mr. Domingo served as Principal for Decision Advisors LLC, where he provided business strategy and capital markets advice to both financial institutions and investors seeking to invest in banks. From 2006 to 2009, he was Chief Financial Officer and Executive Vice President of Doral Financial Corp and of its bank subsidiary, Doral Bank, located in Puerto Rico where he participated in a large-scale recapitalization, restructuring and stabilization of Doral Financial. Prior to joining Doral Financial, Mr. Domingo served as Executive Vice President, Finance and Strategy for Countrywide Bank. From 1991 to 2004 he held a variety of positions with Washington Mutual and its predecessor company, American Savings, and last served as Executive Vice President, Capital Markets for the Home Loan & Insurance Services Group, responsible for capital markets, finance, market risk management, correspondent lending and conduit operations. After leaving Washington Mutual in 2004, he served as President and Chief Executive Officer of Downey Financial Corporation.

Matthew Bonaccorso. Mr. Bonaccorso became Executive Vice President and Chief Credit Officer of the Bank effective January 3, 2011. Prior to joining the Bank, Mr. Bonaccorso served at U.S. Bank where he managed its Special Assets Group-West operation with offices in Los Angeles, San

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Francisco, San Diego, Newport Beach and Sacramento, California. Previously, he was Executive Vice President and Chief Credit Officer of California National Bank from 2001 to 2009. He also worked with Bank of America, N.A. for more than 20 years, rising to the level of Executive Vice President for Commercial Lending and Credit.

Richard Herrin. Mr. Herrin became Executive Vice President and Chief Administrative Officer of the Bank effective December 6, 2010. Prior to joining the Bank, Mr. Herrin served at the FDIC as a member of the strategic operations group, which has overall responsibility for managing problem banks on behalf of the FDIC. As part of this group, Mr. Herrin acted as the Receiver-in-Charge of a number of the largest failed banks in the western region of the United States. Previously, he was the Manager of Asset Management Division within the FDIC where he served as a voting member of the Credit Review Committee for all receiverships in the western region of the United States. Prior to joining the FDIC in 2009, Mr. Herrin held senior positions at Vineyard Bank, Excel National Bank, Imperial Capital Bank and Bank of America.

Gaylin Anderson. Mr. Anderson became Executive Vice President and Chief Retail Banking Officer of the Bank effective January 3, 2011. Prior to joining the Bank, Mr. Anderson served as Senior Vice President, Consumer Branch Performance for U.S. Bank in Los Angeles, and as Director of Retail Banking for California National Bank. Mr. Anderson has held executive management positions for CitiBank, N.A., Glendale Federal Bank and California Federal Bank.

Chang Liu. Mr. Liu became Executive Vice President and Chief Lending Officer of the Bank effective January 3, 2011. Prior to joining the Bank, Mr. Liu served at U.S. Bank as Senior Vice President where he managed the Los Angeles, Newport Beach and San Diego offices of its Special Assets Group. Previously, he was a Senior Vice President, Senior Loan Officer and Manager of California National Bank s Los Angeles commercial real estate lending activity. Prior to joining Cal National in 1999, Mr. Liu held commercial real estate commercial lending and corporate finance positions at The Fuji Bank, Ltd., and Sumitomo Bank of California.

Company Information

Our principal executive offices are located at 610 Bay Boulevard, Chula Vista, California 91910. Our telephone number is (619) 691-1519. Our internet address is *www.firstpactrustbancorp.com*. Information contained on or accessible from our website is not incorporated into this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

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The Offering

The following summary contains basic information about our voting common stock and is not intended to be complete. For a complete description of our voting common stock, see the information under the heading Description of Capital Stock beginning on page S-24.

Voting common stock offered	207,360 shares (or 238,464 shares if the maximum number of Additional Shares are purchased in this offering as a result of the exercise in full of the over-allotment option to purchase additional shares granted to the underwriters in the Separate Public Offering). The closing of this offering is subject to the consummation of the Separate Public Offering.
Voting common stock to be outstanding after this offering(including the shares to be issued in the Separate Public Offering)(1)	10,491,201 shares (or 10,759,851shares if the maximum number of Additional Shares are purchased in this offering as a result of the exercise in full of the over-allotment option to purchase additional shares granted the underwriters in the Separate Public Offering).
Net proceeds	We estimate that the net proceeds to us from the sale of the voting common stock in this offering will be approximately \$3.0 million (or approximately \$3.5 million if the maximum number of Additional Shares are purchased in this offering as a result of the exercise in full of the over-allotment option to purchase additional shares granted the underwriters in the Separate Public Offering). This amount excludes the estimated net proceeds of approximately \$23.0 million we expect to receive, after underwriting discount and commissions, from the sale of our voting common stock in the Separate Public Offering (or approximately \$26.5 million in the event of the exercise in full of the over-allotment option to purchase additional shares granted the underwriters in the Separate Public Offering).
Use of proceeds	We intend to use the net proceeds from this offering and from the Separate Public Offering for general corporate purposes, which may include, without limitation, investments at the holding company level, capital infusions to support the growth of the Bank, acquisitions or other business combinations and other business opportunities. Our management will retain broad discretion in the allocation of net proceeds.
NASDAQ Global Market symbol	FPTB
Risk factors	Investing in our voting common stock involves risks. Before investing you should carefully consider the matters set forth under Risk Factors beginning on page S-8 of this prospectus supplement for a discussion of risks related to an investment in our voting common stock.

(1) The number of shares of voting common stock to be outstanding after this offering is based on 8,700,200 shares outstanding as of June 21, 2011, but does not include:

850,000 shares reserved for potential issuance under existing stock options held by others; and

1,635,000 shares reserved for potential issuance under existing warrants held by others. These warrants were issued in connection with the $60.0 million common stock offering completed in November 2010. The warrants are currently exercisable for shares of our Class B non-voting non-convertible common stock, but will be exercisable for voting common stock in lieu of Class B non-voting non-convertible common stock following the transfer of the warrants in a widely dispersed offering or in other limited circumstances.

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Selected Financial Data

The following table sets forth summary historical consolidated financial information as of and for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 (which has been derived from our audited consolidated financial statements), and as of and for the three months ended March 31, 2011 and 2010 (which is unaudited). The unaudited financial information as of and for the three months ended March 31, 2011 and 2010 has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data as of such dates and for such periods. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the results of operations to be expected for the full year or any future period. The following summary consolidated financial information should be read in conjunction with our consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, which have been filed with the SEC and are incorporated by reference in this prospectus supplement.

	As of or for the Three Months Ended March 31,		As of or for the Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(Dollars in thousands, except per share amounts)						
Selected Financial Condition Data:							
Total assets	$ 834,983	$ 903,796	$ 861,621	$ 893,921	$ 876,520	$ 774,720	808,343
Cash and cash equivalents	28,683	44,496	59,100	34,596	19,237	21,796	13,995
Loans receivable, net	670,579	726,597	678,175	748,303	793,045	710,095	740,044
Real estate owned, net	6,433	9,697	6,562	5,680	158		
Securities available-for-sale	73,689	70,798	64,790	52,304	17,565	4,367	13,989
Bank owned life insurance	18,215	17,979	18,151	17,932	17,565	17,042	16,349
Other investments (interest-bearing term deposit)					893	992	992
FHLB stock	7,993	9,364	8,323	9,364	9,364	6,842	9,794
Deposits	634,410	691,650	646,308	658,432	598,177	574,151	570,543
Total borrowings	60,000	110,000	75,000	135,000	175,000	111,700	151,200
Total equity	135,650	98,482	136,009	97,485	98,723	84,075	81,741
Selected Operations Data:							
Total interest income	$ 8,949	$ 10,519	$ 40,944	$ 46,666	$ 45,896	$ 45,711	$ 45,514
Total interest expense	1,794	3,179	10,788	17,976	23,021	28,847	26,945
Net interest income	7,155	7,340	30,156	28,690	22,875	16,864	18,569
Provision for loan losses		2,214	8,957	17,296	13,547	1,588	(24)
Net interest income after provision for loan losses	7,155	5,126	21,199	11,394	9,328	15,276	18,593
Customer service fees	338	314	1,336	1,383	1,579	1,573	1,397
Net gain on sales of securities available-for-sale	319		3,274				
Income from bank owned life insurance	64	47	219	369	540	711	628
Other non-interest income	46	6	50	61	83	107	192
Total non-interest income	767	367	4,879	1,813	2,202	2,391	2,217
Total non-interest expense	6,816	4,259	22,217	15,901	13,522	14,082	13,565
Income/(loss) before taxes	1,106	1,234	3,861	(2,694)	(1,992)	3,585	7,245
Income tax expense/(benefit)	413	359	1,036	(1,695)	(1,463)	624	2,531
Net income/(loss)	693	875	2,825	(999)	(529)	2,961	4,714
Dividends paid on preferred stock		250	960	1,003	109		
Net income (loss) available to common shareholders	693	625	1,865	(2,002)	(638)	2,961	4,714
Basic earnings/(loss) per share	0.07	0.15	0.37	(0.48)	(0.15)	0.71	1.15
Diluted earnings/(loss) per share	0.07	0.15	0.37	(0.48)	(0.15)	0.70	1.12

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	As of or for the Three Months Ended March 31, 2011	2010	As of or For the Year Ended December 31, 2010	2009	2008	2007	2006
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on assets (ratio of net income to average total assets)(1)	0.33%	0.39%	0.32%	(0.11)%	(0.06)%	0.38%	0.59%
Return on equity (ratio of net income to average equity)(1)	2.04%	3.58%	2.68%	(1.03)%	(0.62)%	3.54%	5.91%
Dividend payout ratio	154.5%	24.3%	56.9%	n/m	n/m	109.3%	58.9%
Interest Rate Spread Information:							
Average during period	3.52%	3.48%	3.60%	3.25%	2.64%	1.89%	2.11%
End of period	3.60%	3.40%	3.56%	3.34%	2.75%	2.18%	1.78%
Net interest margin(1)(2)	3.63%	3.53%	3.68%	3.39%	2.92%	2.27%	2.44%
Ratio of operating expense to average total assets(1)	3.20%	1.91%	2.52%	1.78%	1.64%	1.81%	1.70%
Efficiency ratio(1)(3)	86.04%	55.26%	63.41%	52.13%	53.92%	73.13%	65.26%
Ratio of average interest-earning assets to average interest-bearing liabilities	111.41%	105.37%	106.31%	107.03%	109.36%	109.84%	109.15%
Asset Quality Ratios:							
Non-performing assets to total assets	4.08%	3.35%	3.07%	3.24%	4.15%	1.82%	0.24%
Allowance for loan losses to non-performing loans(4)	43.11%	68.69%	73.50%	56.20%	39.08%	44.16%	239.49%
Allowance for loans losses to gross loans(4)	1.75%	1.91%	2.12%	1.72%	2.26%	0.87%	0.63%
Capital Ratios:							
Equity to total assets at end of period	16.25%	10.90%	15.79%	10.91%	11.26%	10.85%	10.11%
Average equity to average assets	15.97%	10.96%	11.97%	10.87%	10.45%	10.71%	10.00%
Tier 1 leverage ratio(5)	12.12%	9.33%	11.14%	9.18%	8.64%	10.05%	9.35%
Tier 1 capital to risk-weighted assets(5)	16.02%	12.43%	14.92%	12.14%	11.50%	13.14%	13.19%
Total risk-based capital to risk-weighted assets(5)	17.27%	13.51%	16.17%	13.11%	12.18%	13.81%	14.00%
Other Data:							
Number of branch offices	10	9	9	9	9	9	9

(1) Ratios for three month periods are annualized.
(2) Net interest income divided by average interest-earning assets.
(3) Efficiency ratio represents noninterest expense as a percentage of net interest income before provision for loan losses plus noninterest income.
(4) The allowance for loan losses at March 31, 2011 and 2010 was $11.9 million and $14.1 million, respectively, and at December 31, 2010, 2009, 2008, 2007 and 2006 was $14.6 million, $13.1 million, $18.3 million, $6.2 million and $4.7 million, respectively.
(5) For Pacific Trust Bank.

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Risk Factors

An investment in our voting common stock involves risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition, results of operations or prospects could be materially negatively affected by any of these risks. The trading price of our voting common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement and the documents incorporated by reference herein also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the incorporated documents.

Risks Relating to Our Business and Operating Environment

Our business strategy includes significant growth plans, and our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

We intend to pursue an organic and acquisition growth strategy for our business. We regularly evaluate potential acquisitions and expansion opportunities. If appropriate opportunities present themselves, we expect to engage in selected acquisitions of financial institutions, branch acquisitions and other business growth initiatives or undertakings. There can be no assurance that we will successfully identify appropriate opportunities, that we will be able to negotiate or finance such activities or that such activities, if undertaken, will be successful.

There are risks associated with our growth strategy. To the extent that we grow through acquisitions, we cannot ensure that we will be able to adequately or profitably manage this growth. Acquiring other banks, branches or other assets, as well as other expansion activities, involves various risks including the risks of incorrectly assessing the credit quality of acquired assets, encountering greater than expected costs of integrating acquired banks or branches into the Bank, the risk of loss of customers and/or employees of the acquired institution or branch, executing cost savings measures, not achieving revenue enhancements and otherwise not realizing the transaction s anticipated benefits. Our ability to address these matters successfully cannot be assured. In addition, our strategic efforts may divert resources or management s attention from ongoing business operations and may subject us to additional regulatory scrutiny.

Our growth initiatives may also require us to recruit experienced personnel to assist in such initiatives. Accordingly, the failure to identify and retain such personnel would place significant limitations on our ability to successfully execute our growth strategy. In addition, to the extent we expand our lending beyond our current market areas, we could incur additional risks related to those new market areas. We may not be able to expand our market presence in our existing market areas or successfully enter new markets.

If we do not successfully execute our acquisition growth plan, it could adversely affect our business, financial condition, results of operations, reputation and growth prospects. In addition, if we were to conclude that the value of an acquired business had decreased and that the related goodwill had been impaired, that conclusion would result in an impairment of goodwill charge to us, which would adversely affect our results of operations. While we believe we will have the executive management resources and internal systems in place to successfully manage our future growth, there can be no assurance growth opportunities will be available or that we will successfully manage our growth.

We may fail to realize all of the anticipated benefits of our pending acquisition of Gateway Bancorp.

On June 3, 2011, we entered into a definitive agreement to acquire all of the outstanding stock of Gateway Bancorp, the holding company for Gateway Business Bank. The closing of the transaction is subject to the satisfaction of certain conditions, including the receipt of all necessary or advisable regulatory approvals. No assurance can be given as to when or whether these approvals will be received. The success of our pending acquisition of Gateway Bancorp will depend on, among other things, our ability to realize anticipated cost savings and to combine the businesses of Pacific Trust Bank and Gateway Business Bank in a manner that does not materially disrupt the existing customer relationships of either institution or result in decreased revenues from our respective customers. If we are not able to successfully achieve these objectives, the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected.

Pacific Trust Bank and Gateway Business Bank have operated and, until the completion of the merger of the two institutions, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each institution s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers, depositors and employees or to achieve the anticipated benefits of the acquisition. Integration efforts between the two institutions will also divert management attention and resources. These integration matters could have an adverse effect on the combined institution following completion of the acquisition.

One of the anticipated benefits of the Gateway Bancorp acquisition is the diversification of our revenue stream through non-interest income realized from the mortgage banking operations of Mission Hills Mortgage Bankers, a division of Gateway Business Bank. Most of the revenues generated by Mission Hills come from gains on the sale of single-family mortgage loans pursuant to programs currently offered by Fannie Mae, Freddie Mac and investors other than government sponsored enterprises on a servicing-released basis. These entities account for a substantial portion of the secondary market in residential mortgage loans. Any future changes in these programs, reduction in number of entities to sell to, eligibility to participate in such programs, the criteria for loans to be accepted or laws that significantly affect the activity of such entities could, in turn, materially reduce the revenues generated by Mission Hills. Further, in a rising or higher interest rate environment, originations of mortgage loans may decrease, resulting in fewer loans that are available to be sold to investors. This would result in a decrease in mortgage banking revenues and a corresponding decrease in our non-interest income following the Gateway Bancorp acquisition. Our post-acquisition results of operations also will be affected by the amount of non-interest expense associated with mortgage banking activities, such as salaries and employee benefits, occupancy, equipment and data processing expense and other operating costs. During periods of reduced loan demand, our results of operations may be adversely affected to the extent that we are unable to reduce expenses commensurate with the decline in loan originations.

The Bank is subject to a memorandum of understanding with the Office of Thrift Supervision, which imposes certain requirements and restrictions on the Bank.

In August 2009, the Bank entered into a memorandum of understanding (the MOU) with the OTS to address certain concerns of the OTS following its examination of the Bank. The MOU requires the Bank to: (i) submit a three-year business plan to the OTS and provide to the OTS quarterly variance reports of the Bank s compliance with that plan; (ii) submit a non-traditional mortgage analysis plan to the OTS designed to ensure compliance with applicable regulatory guidance concerning the risks of that loan product type; (iii) adopt a concentrations risk management policy addressing concentration risks for loan types other than conforming single family residential loans and for all funding sources; (iv) submit a plan to the OTS to ensure the Bank s allowance for loan loss methodology is consistent with regulatory requirements and guidance and that the allowance is adequate at each quarter end; (v) adopt a pre-purchase analysis procedure that requires full documentation of all factors and research considered by management prior to the purchase of complex securities; (vi) provide the OTS with quarterly updates of problem assets; and (vii) refrain from increasing the dollar amount of brokered deposits above the amount

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held by the Bank as of June 30, 2009, excluding interest credited, without the prior written non-objection of the OTS.

The Bank believes it is currently in full compliance with the MOU but will remain subject to the MOU until such time as all or any portion of the MOU has been modified, suspended or terminated by the OTS. Failure by the Bank to comply fully with the terms of the MOU or any of the plans or policies adopted by the Bank pursuant to the MOU could result in further regulatory action against the Bank

Our financial condition and results of operations are dependent on the economy, particularly in the Bank s market area. The current economic conditions in the market areas we serve may continue to impact our earnings adversely and could increase the credit risk of our loan portfolio.

Our primary market area is concentrated in the greater San Diego market area. Adverse economic conditions in that market area can reduce our rate of growth, affect our customers ability to repay loans and adversely impact our financial condition and earnings. General economic conditions, including inflation, unemployment and money supply fluctuations, also may affect our profitability adversely. Weak economic conditions and ongoing strains in the financial and housing markets have resulted in higher levels of loan delinquencies, problem assets and foreclosures and a decline in the values of the collateral securing our loans.

A further deterioration in economic conditions in the market areas we serve could result in the following consequences, any of which could have a material adverse effect on our business, financial condition and results of operations:

- demand for our products and services may decline;
- loan delinquencies, problem assets and foreclosures may increase;
- collateral for our loans may further decline in value; and
- the amount of our low-cost or non-interest-bearing deposits may decrease.

We cannot accurately predict the effect of the weakness in the national economy on our future operating results or the market price of our voting common stock.

The national economy in general and the financial services sector in particular are currently facing challenges of a scope unprecedented in recent history. We cannot accurately predict the severity or duration of the current economic downturn, which has adversely impacted the markets we serve. Any further deterioration in national or local economic conditions would have an adverse effect, which could be material, on our business, financial condition, results of operations and prospects, and could also cause the market price of our voting common stock to decline. While it is impossible to predict how long these conditions may exist, the current economic downturn could present substantial risks for some time for the banking industry and for us.

Our allowance for loan losses may prove to be insufficient to absorb probable losses in our loan portfolio.

Lending money is a substantial part of our business. Every loan carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things:

- cash flow of the borrower and/or the project being financed;
- in the case of a collateralized loan, the changes and uncertainties as to the future value of the collateral;

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- the credit history of a particular borrower;
- changes in economic and industry conditions; and
- the duration of the loan.

We maintain an allowance for loan losses which we believe is appropriate to provide for potential losses in our loan portfolio. The amount of this allowance is determined by our management through a periodic review and consideration of several factors, including, but not limited to:

- an ongoing review of the quality, size and diversity of the loan portfolio;
- evaluation of non-performing loans;
- historical default and loss experience;
- historical recovery experience;
- existing economic conditions;
- risk characteristics of the various classifications of loans; and
- the amount and quality of collateral, including guarantees, securing the loans.

If our loan losses exceed our allowance for probable loan losses, our business, financial condition and profitability may suffer.

The determination of the appropriate level of the allowance for loan losses inherently involves a high degree of subjectivity and requires us to make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, we review our loans and the loss and delinquency experience, and evaluate economic conditions and make significant estimates of current credit risks and future trends, all of which may undergo material changes. If our estimates are incorrect, the allowance for loan losses may not be sufficient to cover losses inherent in our loan portfolio, resulting in the need for additions to our allowance through an increase in the provision for loan losses. Continuing deterioration in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of our control, may require an increase in the allowance for loan losses. Our allowance for loan losses was 1.75% of gross loans held for investment and 43.1% of nonperforming loans (not including troubled debt restructuring loans) at March 31, 2011. In addition, bank regulatory agencies periodically review our allowance for loan losses and may require an increase in the provision for possible loan losses or the recognition of further loan charge-offs, based on judgments different than that of management. If charge-offs in future periods exceed the allowance for loan losses, we will need additional provisions to increase the allowance for loan losses. Any increases in the provision for loan losses will result in a decrease in net income and may have a material adverse effect on our financial condition and results of operations.

Our business may be adversely affected by credit risk associated with residential property and declining property values.

At March 31, 2011, $580.6 million, or 85.3% of our total gross loan portfolio, was secured by single-family mortgage loans and home equity lines of credit. This type of lending is generally sensitive to regional and local economic conditions that significantly impact the ability of borrowers to meet their loan payment obligations, making loss levels difficult to predict. The decline in residential real estate values as a result of the downturn in the California housing markets has reduced the value of the real estate

collateral securing these types of loans and increased the risk that we would incur losses if borrowers default on their loans. At March 31, 2011, approximately $82.6 million of our single-family mortgage loans and home equity lines of credit had a loan-to-value ratio greater than 100% based on recent appraisals of the underlying properties. Residential loans with high combined loan-to-value ratios generally will be more sensitive to declining property values than those with lower combined loan-to-value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, the borrowers may be unable to repay their loans in full from the sale proceeds. As a result, these loans may experience higher rates of delinquencies, defaults and losses, which will in turn adversely affect our financial condition and results of operations.

Our loan portfolio possesses increased risk due to our level of adjustable rate loans.

A substantial majority of our real estate secured loans held are adjustable-rate loans. Any rise in prevailing market interest rates may result in increased payments for borrowers who have adjustable rate mortgage loans, increasing the possibility of defaults that may adversely affect our profitability.

Our non-traditional, interest-only single-family residential loans expose us to increased lending risk.

Many of the residential mortgage loans we have originated for investment consisted of non-traditional single family loans that do not conform to Fannie Mae or Freddie Mac underwriting guidelines as a result of characteristics of the borrower or property, the loan terms, loan size or exceptions from agency underwriting guidelines, including our Green account loans. The Green Account is a first mortgage line of credit with an associated clearing account that allows all types of deposits and withdrawals to be performed, including direct deposit, check, debit card, ATM, ACH debits and credits, and internet banking and bill payment transactions. At March 31, 2011, we had $249.7 million of total Green account loans, which represented 36.7% of our gross loan portfolio as of that date. Green account home equity loans generally have a fifteen year draw period with interest-only payment requirements, a balloon payment requirement at the end of the draw period and a maximum 80% loan to value ratio. In addition to the Green account loans, we had other interest-only residential mortgage loans totaling $153.1 million at March 31, 2011, representing 22.5% of our gross loan portfolio as of that date, and negative amortization loans (a loan in which accrued interest exceeding the required monthly loan payment may be added to loan principal) totaling $31.6 million, representing 4.65% of our gross loan portfolio as of March 31, 2011. We ceased originating negative amortization loans in 2006.

In the case of interest-only loans, a borrower s monthly payment is subject to change when the loan converts to fully-amortizing status. Since the borrower s monthly payment may increase by a substantial amount even without an increase in prevailing market interest rates, the borrower might not be able to afford the increased monthly payment. In addition, interest-only loans have a large, balloon payment at the end of the loan term, which the borrower may be unable to pay. Negative amortization involves a greater risk to us because credit risk exposure increases when the loan incurs negative amortization and the value of the home serving as collateral for the loan does not increase proportionally. Negative amortization is only permitted up to 110% of the original loan to value ratio during the first five years the loan is outstanding, with payments adjusting periodically as provided in the loan documents, potentially resulting in higher payments by the borrower. The adjustment of these loans to higher payment requirements can be a substantial factor in higher loan delinquency levels because the borrowers may not be able to make the higher payments. Also, real estate values may decline, and credit standards may tighten in concert with the higher payment requirement, making it difficult for borrowers to sell their homes or refinance their loans to pay off their mortgage obligations. For these reasons, interest-only loans and negative amortization loans are considered to have an increased risk of delinquency, default and foreclosure than conforming loans and may result in higher levels of realized losses. Furthermore, these loans are not as readily saleable as loans that conform to agency guidelines and often can be sold only after discounting the amortized value of the loan. As of March 31, 2011, 2.8% of our interest-only loans, totaling $19.4 million, were in non-performing status and 0.34% of our negative amortization loans, totaling $2.3 million, were in non-performing status.

Our income property loans, consisting of commercial and multi-family real estate loans, involve higher principal amounts than other loans and repayment of these loans may be dependent on factors outside our control or the control of our borrowers.

We originate commercial and multi-family real estate loans for individuals and businesses for various purposes, which are secured by commercial properties. These loans typically involve higher principal amounts than other types of loans, and repayment is dependent upon income generated, or expected to be generated, by the property securing the loan in amounts sufficient to cover operating expenses and debt service, which may be adversely affected by changes in the economy or local market conditions. For example, if the cash flow from the borrower s project is reduced as a result of leases not being obtained or renewed, the borrower s ability to repay the loan may be impaired. Commercial and multifamily real estate loans also expose us to greater credit risk than loans secured by residential real estate because the collateral securing these loans typically cannot be sold as easily as residential real estate. In addition, many of our commercial and multifamily real estate loans are not fully amortizing and contain large balloon payments upon maturity. Such balloon payments may require the borrower to either sell or refinance the underlying property in order to make the payment, which may increase the risk of default or non-payment.

If we foreclose on a commercial and multi-family real estate loan, our holding period for the collateral typically is longer than for residential mortgage loans because there are fewer potential purchasers of the collateral. Additionally, commercial and multi-family real estate loans generally have relatively large balances to single borrowers or related groups of borrowers. Accordingly, if we make any errors in judgment in the collectability of our commercial and multi-family real estate loans, any resulting charge-offs may be larger on a per loan basis than those incurred with our residential or consumer loan portfolios. As of March 31, 2011, our commercial and multi-family real estate loans totaled $69.1 million, or 10.2% of our total gross loan portfolio.

If our investments in real estate are not properly valued or sufficiently reserved to cover actual losses, or if we are required to increase our valuation reserves, our earnings could be reduced.

We obtain updated valuations in the form of appraisals and broker price opinions when a loan has been foreclosed upon and the property is taken in as real estate owned (REO), and at certain other times during the asset s holding period. Our net book value (NBV) in the loan at the time of foreclosure and thereafter is compared to the updated market value (fair value) of the foreclosed property less estimated selling costs. A charge-off is recorded for any excess in the asset s NBV over its fair value. If our valuation process is incorrect, the fair value of our investments in real estate may not be sufficient to recover our NBV in such assets, resulting in the need for additional charge-offs. Additional material charge-offs to our investments in real estate could have a material adverse effect on our financial condition and results of operations. Our bank regulator periodically reviews our REO and may require us to recognize further charge-offs. Any increase in our charge-offs, as required by such regulator, may have a material adverse effect on our financial condition and results of operations.

Other-than-temporary impairment charges in our investment securities portfolio could result in losses and adversely affect our continuing operations.

As of March 31, 2011, our securities portfolio consisted of 27 securities, four of which were in an unrealized loss position. The majority of unrealized losses are related to our private label mortgage-backed securities, as discussed below. Our private label mortgage-backed securities that are in a loss position had a market value of $12.1 million with unrealized losses of approximately $161 thousand at March 31, 2011. These non-agency private label mortgage-backed securities were investment grade at purchase and are not within the scope of Accounting Standards Codification 325. We monitor our portfolio to ensure we have adequate credit support and as of March 31, 2011, we believed there was no other-than-temporary impairment. We do not have the intent to sell these securities and it is likely that we will not be required to sell the securities before their anticipated recovery. No assurance can be given in this regard, however.

We closely monitor our investment securities for changes in credit risk. The valuation of our investment securities also is influenced by external market and other factors, including implementation of SEC and Financial Accounting Standards Board guidance on fair value accounting. Accordingly, if market conditions deteriorate further and we determine our holdings of investment securities are other than temporarily impaired, our future earnings, shareholders equity, regulatory capital and continuing operations could be materially adversely affected.

Rising interest rates may hurt our profits.

To be profitable, we have to earn more money in interest that we receive on loans and investments than we pay to our depositors and lenders in interest. If interest rates rise, our net interest income and the value of our assets could be reduced if interest paid on interest-bearing liabilities, such as deposits and borrowings, increases more quickly than interest received on interest-earning assets, such as loans, other mortgage-related investments and investment securities. This is most likely to occur if short-term interest rates increase at a faster rate than long-term interest rates, which would cause income to go down. In addition, rising interest rates may hurt our income, because they may reduce the demand for loans and the value of our securities. In a rapidly changing interest rate environment, we may not be able to manage our interest rate risk effectively, which would adversely impact our financial condition and results of operations.

We face significant operational risks.

We operate many different financial service functions and rely on the ability of our employees, third-party vendors and systems to process a significant number of transactions. Operational risk is the risk of loss from operations, including fraud by employees or outside persons, employees execution of incorrect or unauthorized transactions, data processing and technology errors or hacking and breaches of internal control systems.

Liquidity risk could impair our ability to fund operations and jeopardize our financial condition.

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our access to funding sources in amounts adequate to finance our activities or on terms that are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy in general. Factors that could detrimentally impact our access to liquidity sources include a decrease in the level of our business activity as a result of a downturn in the markets in which our loans are concentrated or adverse regulatory action against us. Our ability to borrow could also be impaired by factors that are not specific to us, such as a disruption in the financial markets or negative views and expectations about the prospects for the financial services industry in light of the recent turmoil faced by banking organizations and the continued deterioration in credit markets.

We may elect or be compelled to seek additional capital in the future, but that capital may not be available when it is needed.

We are required by federal regulatory authorities to maintain adequate levels of capital to support our operations. At some point, we may need to raise additional capital to support continued growth, both organically and through acquisitions. If we raise additional capital, we may seek to do so through the issuance of, among other things, our common stock or preferred stock. The issuance of additional shares of common stock or convertible securities to new shareholders would be dilutive to our current shareholders.

Our ability to raise additional capital, if needed, will depend on conditions in the capital markets, economic conditions and a number of other factors, many of which are outside our control, and on our financial performance. Accordingly, we cannot assure you of our ability to raise additional capital if needed or on terms acceptable to us. If we cannot raise additional capital when needed, our ability to

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further expand our operations through organic growth and acquisitions could be materially impaired and our financial condition and liquidity could be materially and adversely affected.

We depend on our key employees.

Our future prospects are and will remain highly dependent on our directors and executive officers. Our success will, to some extent, depend on the continued service of our directors and continued employment of the executive officers. The unexpected loss of the services of any of these individuals could have a detrimental effect on our business. Although we have entered into employment agreements with members of our senior management team, no assurance can be given that these individuals will continue to be employed by us. The loss of any of these individuals could negatively affect our ability to achieve our growth strategy and could have a material adverse affect on our results of operations and financial condition.

We currently hold a significant amount of bank-owned life insurance.

At March 31, 2011, we held $18.2 million of bank-owned life insurance or BOLI on key employees and executives, with a cash surrender value of $18.2 million. The eventual repayment of the cash surrender value is subject to the ability of the various insurance companies to pay death benefits or to return the cash surrender value to us if needed for liquidity purposes. We continually monitor the financial strength of the various companies with whom we carry these policies. However, any one of these companies could experience a decline in financial strength, which could impair its ability to pay benefits or return our cash surrender value. If we need to liquidate these policies for liquidity purposes, we would be subject to taxation on the increase in cash surrender value and penalties for early termination, both of which would adversely impact earnings.

If our investment in the Federal Home Loan Bank of San Francisco becomes impaired, our earnings and shareholders equity could decrease.

At March 31, 2011, we owned $8.0 million in Federal Home Loan Bank of San Francisco stock. We are required to own this stock to be a member of and to obtain advances from our Federal Home Loan Bank. This stock is not marketable and can only be redeemed by our Federal Home Loan Bank, which currently is not redeeming any excess member stock. Our Federal Home Loan Bank s financial condition is linked, in part, to the eleven other members of the Federal Home Loan Bank System and to accounting rules and asset quality risks that could materially lower their capital, which would cause our Federal Home Loan Bank stock to be deemed impaired, resulting in a decrease in our earnings and assets.

Our information systems may experience an interruption or breach in security; we may have fewer resources than many of our competitors to continue to invest in technological improvements.

We rely heavily on communications and information systems to conduct our business. Any failure, interruption or breach in security of these systems could result in failures or disruptions in our customer relationship management, general ledger, deposit, loan and other systems. While we have policies and procedures designed to prevent or limit the effect of the failure, interruption or security breach of our information systems, there can be no assurance that any such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures, interruptions or security breaches of our information systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny, or expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations. In addition, our future success will depend, in part, upon our ability to address the needs of our clients by using technology to provide products and services that will satisfy client demands for convenience, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our clients.

We operate in a highly regulated environment and our operations and income may be affected adversely by changes in laws and regulations governing our operations.

We are subject to extensive regulation and supervision by the OTS (until July 21, 2011, and thereafter by the Office of the Comptroller of the Currency (the OCC), as noted below) and the FDIC. Such regulators govern the activities in which we may engage, primarily for the protection of depositors and the deposit insurance fund. These regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the ability to impose restrictions on a bank s operations, reclassify assets, determine the adequacy of a bank s allowance for loan losses and determine the level of deposit insurance premiums assessed. Any change in such regulation and oversight, whether in the form of regulatory policy, new regulations or legislation or additional deposit insurance premiums could have a material impact on our operations. Because our business is highly regulated, the laws and applicable regulations are subject to frequent change. Any new laws, rules and regulations could make compliance more difficult or expensive or otherwise adversely affect our business, financial condition or prospects. Such changes could subject us to additional costs, limit the types of financial services and products we may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things. The recently enacted regulatory reform legislation described below will, among other things, change our primary regulator, create a new consumer finance protection agency and impose capital requirements on us at the holding company level. These changes could adversely impact our operations and net income.

The Dodd-Frank Act could have a material adverse effect on us.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which was enacted into law on July 21, 2010, provides for, among other things, new restrictions and an expanded framework of regulatory oversight for financial institutions and their holding companies, including First PacTrust Bancorp and Pacific Trust Bank. Under the new law, the Bank s current primary regulator, the OTS, will be eliminated and existing federal thrifts will be subject to regulation and supervision by the OCC, which currently supervises and regulates all national banks. In addition, on July 21, 2011, all savings and loan holding companies, including First PacTrust Bancorp, will be subject to regulation and supervision by the Federal Reserve Board, which currently supervises and regulates all bank holding companies. This change in regulation of savings and loan holding companies may result in the imposition of holding company capital requirements and additional restrictions on investments and other holding company activities. The Dodd-Frank Act also creates a new consumer financial protection bureau that will have the authority to promulgate rules intended to protect consumers in the financial products and services market. The creation of this independent bureau is likely to result in new regulatory requirements and raise the cost of regulatory compliance. In addition, new regulations mandated by the Dodd-Frank Act could require changes in regulatory capital requirements, loan loss provisioning practices and compensation practices. Effective July 21, 2011, financial institutions may pay interest on demand deposits, which could increase our interest expense. At this time, we cannot determine the full impact of the Dodd-Frank Act on our business and operations.

Increases in deposit insurance premiums and special FDIC assessments will negatively impact our earnings.

During 2009, our FDIC insurance premiums increased significantly and we may pay higher FDIC premiums in the future. The recently enacted Dodd-Frank Act increased the minimum reserve ratio from 1.15% to 1.35%. The FDIC has adopted a plan under which it will meet this ratio by the statutory deadline of September 30, 2020. The Dodd-Frank Act requires the FDIC to offset the effect of the increase in the minimum reserve ratio on institutions with assets less than $10.0 billion. The FDIC has not announced how it will implement this offset. In addition to the minimum reserve ratio, the FDIC must set a designated reserve ratio. The FDIC has set a designated reserve ratio of 2.0, which exceeds the minimum reserve ratio.

As required by the Dodd-Frank Act, the FDIC has adopted final regulations under which insurance premiums are based on an institution s total assets minus its tangible equity instead of its deposits. While our FDIC insurance premiums initially will be reduced by these regulations, it is possible that our future insurance premiums will increase under the final regulations.

Changes in accounting standards may affect our performance.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time there are changes in the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be difficult to predict and can materially impact how we report and record our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in a retrospective adjustment to prior financial statements.

Strong competition within our market area may limit our growth and profitability.

Competition in the banking and financial services industry is intense. In our market area, we compete with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Many of these competitors have substantially greater name recognition, resources and lending limits than we do and may offer certain services or prices for services that we do not or cannot provide. Our profitability depends upon our continued ability to successfully compete in our market.

Risks Relating to This Offering and Our Voting Common Stock

The market price of our voting common stock may decline after the offering.

The price per share at which we sell our voting common stock in this offering may be more or less than the market price of the voting common stock on the date the offering is consummated. If the purchase price is greater than the market price at the time of sale, purchasers may experience an immediate decline in the market value of the voting common stock purchased in this offering. If the actual purchase price is less than the market price for the shares of the voting common stock, some purchasers in this offering may be inclined to immediately sell shares of the voting common stock to attempt to realize a profit. Any such sales, depending on the volume and timing, could cause the price of our voting common stock to decline. Additionally, because stock prices generally fluctuate over time, there is no assurance that purchasers of our voting common stock in this offering will be able to sell shares after the offering at a price that is equal to or greater than the actual purchase price. Purchasers should consider these possibilities in determining whether to purchase shares in the offering and the timing of any sales of shares of voting common stock.

Our trading volume may not provide adequate liquidity for investors.

Our voting common stock is listed on the NASDSAQ Global Market. However, the average daily trading volume in our voting common stock is less than that of larger financial services companies. A public trading market having the desired depth, liquidity and orderliness depends on the presence of a sufficient number of willing buyers and sellers for our voting common stock at any given time. This presence is impacted by general economic and market conditions and investors views of us. Because our trading volume is limited relative to larger financial services companies, any significant sales of our shares could cause a decline in the market value of our voting common stock.

The price of our voting common stock may fluctuate significantly, and this may make it difficult for you to resell our voting common stock when you want or at prices you find attractive.

We cannot predict how our voting common stock will trade in the future. The market value of our voting common stock will likely continue to fluctuate in response to a number of factors including the following, most of which are beyond our control, as well as the other factors described in this Risk Factors section:

- actual or anticipated quarterly fluctuations in our operating and financial results;
- developments related to investigations, proceedings or litigation that involve us;
- changes in financial estimates and recommendations by financial analysts;
- dispositions, acquisitions and financings;
- actions of our current shareholders, including sales of stock by existing shareholders and our directors and executive officers;
- fluctuations in the stock prices and operating results of our competitors;
- regulatory developments; and
- other developments related to the financial services industry.

The market value of our voting common stock may also be affected by conditions affecting the financial markets in general, including price and trading fluctuations. These conditions may result in (i) volatility in the level of, and fluctuations in, the market prices of stocks generally and, in turn, our voting common stock and (ii) sales of substantial amounts of our voting common stock in the market, in each case that could be unrelated or disproportionate to changes in our operating performance. These broad fluctuations may adversely affect the market value of our voting common stock.

There may be future sales of additional common stock or other dilution of our equity, which may adversely affect the market price of our voting common stock.

We are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The market price of our voting common stock could decline as a result of sales by us of a large number of shares of common stock or preferred stock or similar securities or from the perception that such sales could occur.

Our board of directors is authorized generally to cause us to issue additional common stock, as well as series of preferred stock, without any action on the part of our shareholders except as may be required under the listing requirements of the NASDAQ Stock Market. Our board also has the power to amend our charter, without shareholder approval, to increase the number of shares of stock we are authorized to issue. In addition, the board has the power, without shareholder approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights and preferences over the common stock with respect to dividends or upon the liquidation, dissolution or winding-up of our business and other terms. If we issue preferred stock in the future that has a preference over the common stock with respect to the payment of dividends or upon liquidation, dissolution or winding-up, or if we issue preferred stock with voting rights that dilute the voting power of the common Stock, the rights of holders of the voting common stock or the market price of the voting common stock could be adversely affected. In this regard, we have applied for participation in the U.S. Treasury s Small Business Lending Fund (SBLF) program, which is intended to encourage lending to small businesses by providing capital to qualified community banks with assets of less than $10 billion. If we participate in the SBLF program, we will issue to the U.S. Treasury shares of preferred stock with a dividend and liquidation preference over our common stock. The dividend rate would fluctuate based upon the extent to which we increase our lending to small businesses. Initially, the annual dividend rate under the SBLF program will not exceed 5%, but will increase to 9% after 4.5 years if the participating Bank has not repaid its SBLF funding by that time.

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We will retain broad discretion in using the net proceeds from this offering, and may not use the proceeds effectively.

We intend to use the net proceeds from this offering for general corporate purposes, which may include, without limitation, making investments at the holding company level, providing capital to support the Bank, supporting organic growth, and engaging in acquisitions or other business combinations.

We have not designated the amount of net proceeds we will use for any particular purpose. Accordingly, our management will retain broad discretion to allocate the net proceeds of this offering. The net proceeds may be applied in ways with which you may not agree. Moreover, our management may use the proceeds for corporate purposes that may not increase our market value or make us more profitable. In addition, it may take us some time to effectively deploy the proceeds from the offering. Until the proceeds are effectively deployed, our return on equity and earnings per share may be negatively impacted. Management s failure to use the net proceeds of the offering effectively could have an adverse effect on our business, financial condition and results of operations.

Regulatory restrictions may limit or prevent us from paying dividends on our common stock.

First PacTrust Bancorp is an entity separate and distinct from Pacific Trust Bank and derives substantially all of its revenue in the form of dividends from the Bank. Accordingly, First PacTrust Bancorp is and will be dependent upon dividends from the Bank to pay the principal of and interest on its indebtedness, to satisfy its other cash needs and to pay dividends on its capital stock. The Bank s ability to pay dividends is subject to its ability to earn net income and to meet certain regulatory requirements. If the Bank is unable to pay dividends, First PacTrust Bancorp may not be able to service its debt, pay its other obligations or pay dividends on common stock which could have a material adverse impact on our financial condition or the value of your investment in our securities.

Our common stock constitutes equity and is subordinate to our existing and future indebtedness and effectively subordinated to all the indebtedness and other non-common equity claims against our subsidiaries.

The shares of our common stock represent equity interests in us and do not constitute indebtedness. Accordingly, the shares of our common stock will rank junior to all of our existing and future indebtedness and to other non-equity claims on First PacTrust Bancorp with respect to assets available to satisfy claims on First PacTrust Bancorp. Additionally, holders of our common stock may be subject to the prior dividend and liquidation rights of the holders of any series of our preferred stock that may be outstanding at a particular point in time. In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary s liquidation or otherwise, and thus the ability of a holder of our common stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, holders of our common stock will be effectively subordinated to all existing and future liabilities and obligations of our subsidiaries. At March 31, 2011, the Bank s total deposits and borrowings were approximately $694.4 million.

Our executive officers and directors and the directors of the Bank could have the ability to influence shareholder actions in a manner that may be adverse to your personal investment objectives.

As of June 21, 2011, our executive officers and directors and the directors of the Bank as a group beneficially owned 895,235 shares of our voting common stock, representing approximately 10.3% of the total shares of voting common stock outstanding as of that date. Due to their collective ownership interest, these individuals may be able to exercise influence over the management and business affairs of our company and the Bank. For example, using their collective voting power, these individuals may be able to influence the outcome of director elections or block significant transactions, such as a merger or acquisition, or any other matter that might otherwise be favored by other shareholders.

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Anti-takeover provisions could negatively impact our shareholders.

Provisions in our charter and bylaws, the corporate laws of the State of Maryland and federal regulations could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise adversely affect the market price of any class of our equity securities, including our common stock. These provisions include: a prohibition on voting shares of common stock beneficially owned in excess of 10% of total shares outstanding, supermajority voting requirements for certain business combinations with any person who beneficially owns 10% or more of our outstanding common stock; the election of directors to staggered terms of three years; advance notice requirements for nominations for election to our board of directors and for proposing matters that shareholders may act on at shareholder meetings, a requirement that only directors may fill a vacancy in our board of directors, and a supermajority voting requirements to remove any of our directors. Our charter also authorizes our board of directors to issue preferred stock, and preferred stock could be issued as a defensive measure in response to a takeover proposal. In addition, pursuant to OTS regulations, as a general matter, no person or company, acting individually or in concert with others, may acquire more than 10% of our common stock without prior approval from the OTS.

These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for holders of our common stock to elect directors other than the candidates nominated by our board of directors. In addition, because of the voting limitation in our charter referred to above, the voting rights any person or group acquiring beneficial ownership of more than 10% of the outstanding shares of our common stock will not be commensurate with their economic interest in our company.

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Use of Proceeds

We estimate that the net proceeds to us from the sale of the voting common stock in this offering will be approximately $3.0 million (or approximately $3.5 million if the maximum number of Additional Shares are to be purchased as a result of exercise in full of the over-allotment option to purchase additional shares granted to the underwriters in connection with the Separate Public Offering). We will not pay any underwriting discounts or any commissions or fees to any underwriter or placement agent in connection with this offering. The estimated net proceeds of this offering exclude the estimated net proceeds of approximately $23.0 million we expect to receive from the sale of our voting common stock in the Separate Public Offering (or approximately $26.5 million if the underwriters of the Separate Public Offering exercise their over-allotment option in full).

We intend to use the net proceeds from this offering and from the Separate Public Offering for general corporate purposes, which may include, without limitation, investments at the holding company level, capital infusions to support the growth of the Bank, acquisitions or other business combinations and other business opportunities. Our management will retain broad discretion in the allocation of net proceeds.

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Price Range of Voting Common Stock and Dividends

Our voting common stock is listed on the NASDAQ Global Market under the symbol FPTB. The following table sets forth, for the periods indicated, the high and low closing sales prices per share of our voting common stock as reported on the NASDAQ Global Market, as well as the cash dividends declared per share of common stock for each of those periods.

Year Ended December 31, 2009	**High**	**Low**	**Cash Dividend Declared**
First quarter	$ 9.65	$ 5.67	$ 0.10
Second quarter	8.60	6.00	0.05
Third quarter	8.28	5.54	0.05
Fourth quarter	7.00	4.70	0.05
Year Ended December 31, 2010			
First quarter	$ 8.40	$ 5.35	$ 0.05
Second quarter	10.30	7.12	0.05
Third quarter	10.70	7.21	0.05
Fourth quarter	13.27	10.45	0.10
Year Ending December 31, 2011			
First quarter	$ 16.68	$ 13.32	$ 0.105
Second quarter (through June 21, 2011)	16.73	13.55	0.11

On June 21, 2011, the last reported sale price of our voting common stock was $16.26 per share. On June 21, 2011, we had approximately 240 holders of record of our voting common stock. This total does not reflect the number of persons or entities who hold stock in street name through various banks, brokerage firms and other nominees. As of June 21, 2011, there were 8,700,200 shares of our voting common stock issued and outstanding and 1,036,156 shares of our Class B non-voting non-convertible common stock issued and outstanding. Holders of our Class B non-voting non-convertible common stock rank equally with the holders of our voting common stock with respect to dividends and with respect to all other matters, except that holders of the Class B common stock do not have voting rights except as required by law. See Description of Common Stock and Preferred Stock Common Stock in the accompanying prospectus.

The timing and amount of cash dividends paid on our common stock depends on our earnings, capital requirements, financial condition and other relevant factors and is subject to the discretion of our board of directors. Reflecting consideration of these factors, in recent periods, we have steadily increased our quarterly cash dividend, from $0.05 per share to $0.10 per share in the fourth quarter of 2011, from $0.10 per share to $0.105 per share in the first quarter of 2011 and from $0.105 per share to $0.11 per share in the second quarter of 2011. The primary sources for dividends paid to our shareholders are funds maintained at the holding company level and dividends paid to us from the Bank. There are regulatory restrictions on the ability of the Bank to pay dividends. Under federal regulations, the dollar amount of dividends a federal thrift may pay depends upon its capital position and recent net income. Generally, the Bank may not declare or pay a cash dividend on its stock if it would cause its regulatory capital to be reduced below the amount required for the liquidation account established in connection with the Bank s 2002 conversion from the mutual to the stock form of ownership or to meet applicable regulatory capital requirements. Pursuant to OTS regulations, the Bank generally may make capital distributions during any calendar year equal to net income for the calendar year-to-date plus net income for the previous two calendar year-to-date periods, assuming the distribution would not cause regulatory capital to be reduced below the required amount. The Bank is required to provide notice to the OTS 30 days prior to the declaration of a dividend. At March 31, 2011, the Bank would have been permitted under OTS regulations to make capital distributions of up to approximately $2.1 million. To declare a dividend in excess of this amount, the Bank would be required to file an application with the OTS subject to its review and approval.

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Capitalization

The following table sets forth our capitalization as of March 31, 2011. Our capitalization is presented on a historical basis and on an as adjusted basis to give effect to the sale of 207,360 shares of voting common stock in this offering and the sale of 1,583,641 shares in the Separate Public Offering and assuming:

- the net proceeds of this offering are $3.0 million;
- the net proceeds of the Separate Public Offering are $23.0 million, after deducting the underwriting discount and estimated offering expenses;
- the over-allotment option granted to the underwriters of the Separate Public Offering is not exercised and, consequently, no Additional Shares are sold in this offering.

The financial data below should be read in conjunction with the financial statements and notes thereto incorporated by reference in this prospectus supplement.

	At March 31, 2011	
	Actual	**As Adjusted**[(1)]
	(In Thousands) *(Unaudited)*	
Liabilities:		
Deposits	$ 634,410	$ 634,410
Federal Home Loan Bank advances	60,000	60,000
Accrued expenses and other liabilities	4,923	4,923
Total liabilities	$ 699,333	$ 699,333
Shareholders equity:		
Preferred stock, $0.01 par value		
Authorized shares 50,000,000		
Issued and outstanding shares none	$	$
Common stock $0.01 par value		
Authorized shares 200,000,000		
Issued and outstanding shares of voting common stock 9,863,390 and 8,692,910, respectively, actual; 11,654,391 and 10,483,911 respectively, as adjusted	99	117
Issued and outstanding shares of non-voting common stock 1,036,156	10	10
Additional paid-in capital	119,497	145,501
Additional paid-in capital-warrants	3,172	3,172
Retained earnings	35,448	35,448
Treasury stock (voting common stock), at cost (1,170,480 shares)	(25,139)	(25,139)
Unearned Employee Stock Ownership Plan shares (31,740 shares)	(381)	(381)
Accumulated other comprehensive income	2,944	2,944
Total stockholders equity	$ 135,650	$ 161,672

(1)

If the underwriters of the Separate Public Offering exercise their over-allotment option in full, a combined total of 2,059,651 shares of voting common stock would be sold in this offering and in the Separate Public Offering, resulting in estimated combined net proceeds of $30.0 million and total shareholders equity would increase to $165.6 million.

Description of Capital Stock

A description of certain of the terms and provisions of our capital stock, our charter and bylaws and Maryland law that could affect the holders of our voting common stock is set forth in the accompanying prospectus under Description of Common Stock and Preferred Stock.

Subsequent to the date of the accompanying prospectus, we took several actions that affect the information set forth in that section of the accompanying prospectus. In December 2010, we redeemed all of the outstanding shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series A, issued to the U.S. Treasury pursuant to the TARP Capital Purchase Program, and none of those shares remain outstanding. In January 2011, we repurchased the warrant issued to the U.S. Treasury pursuant to the TARP Capital Purchase Program. In March 2011, we amended our charter to increase the number of shares of common stock we are authorized to issue from 20,000,000 to 200,000,000 and the number of shares of preferred stock we are authorized to issue from 5,000,000 to 50,000,000. In May 2011, in connection with the adoption of our dividend reinvestment plan, our board of directors approved the designation of an additional 300,000 of the authorized shares of our common stock as Class B non-voting non-convertible common stock, bringing the total number of authorized shares with that designation to 3,136,156.

Plan of Distribution

We are offering for sale to the Existing Investors pursuant to existing contractual rights given to them in connection with our November 2010 $60.0 million common stock offering, 207,360 shares of our voting common stock at a price of $14.6475 per share, which represents the same price as the price per share offered to the public, net of underwriting discounts and commissions, in the Separate Public Offering. To the extent the underwriters of the Separate Public Offering exercise their over-allotment option to purchase additional shares in the Separate Public Offering, we will offer and sell to the Existing Investors the Additional Shares, with the percentage of Additional Shares to be purchased by each of them equal to the same percentage of the over-allotment option exercised by the underwriters. We will not pay any underwriting discounts or any commissions or fees to any underwriter or placement agent in connection with this offering.

Each of the Existing Investors may be an underwriter within the meaning of the Securities Act of 1933, as amended.

The expenses of this offering payable by us are estimated to be approximately $10,000.

Legal Matters

Certain legal matters relating to the offering of the voting common stock will be passed upon for us by Silver, Freedman & Taff, L.L.P., Washington, D.C.

Experts

The consolidated financial statements of First PacTrust Bancorp, Inc. as of December 31, 2010 and 2009, and for each of the years in the three year period ended December 31, 2010, have been incorporated by reference herein in reliance upon the report of Crowe Horwath LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PROSPECTUS

$250,000,000

Debt Securities

Common Stock

Preferred Stock

Depositary Shares

Purchase Contracts

Warrants

Rights

Units

We may offer and sell from time to time, in one or more series, our debt securities, which may consist of notes, debentures, or other evidences of indebtedness, shares of our common stock or preferred stock, depositary shares, purchase contracts, warrants, rights and units comprised of two or more of these securities in any combination. The debt securities and preferred stock may be convertible into or exchangeable for other securities of ours. This prospectus provides you with a general description of these securities. Each time we offer any securities pursuant to this prospectus, we will provide you with a prospectus supplement, and, if necessary, a pricing supplement, that will describe the specific amounts, prices and terms of the securities being offered. These supplements may also add, update or change information contained in this prospectus. To understand the terms of the securities offered, you should carefully read this prospectus with the applicable supplements, which together provide the specific terms of the securities we are offering.

Our voting common stock is traded on the NASDAQ Global Market under the symbol FPTB.

Investing in our securities involves risks. See the section entitled Risk Factors contained on page 11 of this prospectus and in the applicable prospectus supplement.

These securities are not deposits or obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

This prospectus may be used to offer and sell securities only if accompanied by the prospectus supplement for those securities.

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

The date of this prospectus is November 23, 2010

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IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT

We may provide information to you about the securities we are offering in three separate documents that progressively provide more detail:

- this prospectus, which provides general information, some of which may not apply to your securities;
- the accompanying prospectus supplement, which describes the terms of the securities, some of which may not apply to your securities; and
- if necessary, a pricing supplement, which describes the specific terms of your securities.

If the terms of your securities vary among the pricing supplement, the prospectus supplement and the accompanying prospectus, you should rely on the information in the following order of priority:

- the pricing supplement, if any;
- the prospectus supplement; and
- the prospectus.

We include cross-references in this prospectus and the accompanying prospectus supplement to captions in these materials where you can find further related discussions. The following table of contents and the table of contents included in the accompanying prospectus supplement provide the pages on which these captions are located.

Unless indicated in the applicable prospectus supplement, we have not taken any action that would permit us to publicly sell these securities in any jurisdiction outside the United States. If you are an investor outside the United States, you should inform yourself about and comply with any restrictions as to the offering of the securities and the distribution of this prospectus.

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