

EXHIBIT A

Background of the Merger

The Company faced unprecedented pressure on its financial condition and results of operations during the recent financial crisis and recessionary environment. The Company's net income of \$100.8 million for the fiscal year ended December 31, 2007 was followed by losses of \$23.8 million in fiscal year 2008 and \$431.3 million in fiscal year 2009. Deterioration in commercial and residential real estate markets, related severe declines in property values and worsening employment conditions led to, among other things, significant increases in the Company's nonperforming assets, net charge-offs and provision for loan losses. In the second quarter of 2009, the Company suspended dividend payments on its then-outstanding trust preferred securities and TARP preferred stock held by the U.S. Department of the Treasury, and both the Company and its principal subsidiary bank (then named Pacific Capital Bank, N.A.), became subject to significant regulatory restrictions, pursuant to, among other things, a memorandum of understanding, or MOU, entered into with the OCC on April 16, 2009 and a MOU entered into with the Reserve Board on May 18, 2009.

In light of the continued serious challenges affecting the Company's business, operations, financial condition, asset quality, earnings and prospects, and management's projection that substantial losses were likely to continue for some time, commencing in the first half of 2009 and continuing into 2010, the Company's board of directors retained outside legal and financial advisors and actively considered and pursued various capital-raising, cost-cutting and other strategic initiatives, including developing a three-year strategic capital plan that called for a search for strategic alternatives to strengthen the Company's capital base. In the Company's annual report on Form 10-K/A filed on March 16, 2010, the Company reported that it had incurred significant operating losses, experienced a significant deterioration in the quality of its assets and become subject to enhanced regulatory scrutiny, and that these factors, among others, were deemed to cast significant doubt on the Company's ability to continue as a going concern. The report of the Company's independent registered public accounting firm set forth in that annual report included a "going concern" qualification. The Company further reported that it was actively considering a broad range of strategic alternatives, including a capital infusion or a merger, in order to address doubt about the Company's ability to continue as a going concern, but that there could be no assurance that the exploration of strategic alternatives would result in any transaction.

~~In~~On April 29, 2010, after a process that lasted more than a year, during which the Company and its financial advisor contacted and signed confidentiality agreements with numerous potential strategic partners (including UNBC and U.S. Bancorp, both of which conducted preliminary due diligence but ultimately declined to pursue a transaction) and financial investors about a possible acquisition of, or investment in, the Company, the Company entered into an investment agreement with SB Acquisition, an affiliate of Ford Financial Fund, L.P., or Ford Financial, through which Ford Financial, on August 31, 2010, invested approximately \$500 million in new equity capital. In connection with the closing of the Ford Financial investment, the Company completed certain other recapitalization transactions, including in respect of the Company's then-outstanding TARP preferred securities and a cash tender offer by SBBT for its outstanding

subordinated debentures. The Company board also appointed Mr. Webb, a banking industry veteran with extensive prior experience as a banking executive, as Chief Executive Officer and a member of the board of directors of the Company and Mr. Ford, the Managing Partner of Ford Financial, as Chairman of the Company's board of directors. Besides Messrs. Webb and Ford, the Company's board of directors following the closing of the investment transaction retained the other members of the pre-investment board of directors of the Company, including nine outside, independent directors. In connection with the closing of the Ford Financial investment, the Company also restructured its management team, adding senior executives with significant experience in their respective areas of banking expertise. Shortly thereafter, in November, 2010, the Company completed a rights offering to historical stockholders at the same price at which Ford Financial had invested in the Company, which raised an additional \$76.4 million in equity capital.

Based on the \$500 million equity infusion and resulting improvements to its balance sheet, in 2011, the Company was able to stabilize itself and strengthen its balance sheet and results of operations. The Company implemented a strategic plan to focus on core deposit growth and responsible loan origination to commercial and private clients and to pursue significant technology and operational infrastructure enhancements. After persistent losses prior to the investment, the Company recorded positive net income of \$25.7 million for the four-month period ended December 31, 2010 following the closing of the Ford Financial investment and \$70.5 million for fiscal year 2011. The Company completed the early redemption of all of its outstanding subordinated debentures and ended the deferral of dividend payments under its outstanding trust preferred securities in December 2011.

During late 2011, Mr. Ford and Mr. Webb traveled to New York City and, during their stay, an investment bank arranged a meeting with senior representatives of Mitsubishi UFJ who had expressed an interest to the banker in meeting with Messrs. Ford and Webb. At this meeting, the attendees discussed the Company, Messrs. Ford and Webb indicated that a sale of the Company was not being considered, and the representatives of Mitsubishi UFJ expressed an interest in having further discussions at a future date. At the beginning of 2012, Todd Baker, Executive Vice President, Corporate Strategy and Development of UNBC, made ana further unsolicited contact with Mr. Webb, Chief Executive Officer of the Company, to indicate that UNBC would be interested in exploring a potential strategic business combination between UNBC and the Company. Mr. Webb informed Mr. Ford of the contact from Mr. Baker. The Company was not at that time exploring strategic alternatives or otherwise seeking a sale transaction. However, taking into account UNBC's resources and its likely strategic interest in the Company's banking markets, the Company considered UNBC's level of interest sufficiently serious and substantial that it determined that it would be prudent to further explore and consider UNBC's indication of interest through continued dialogue.

In December, 2011 and early January, 2012, representatives of both the Company and UNBC had several discussions regarding the financial and business status of the Company and the potential of a strategic business combination transaction.

On January 19, 2012, the parties entered into a confidentiality agreement and thereafter UNBC commenced off-site due diligence. Exploratory discussions between UNBC and the Company took place around the Company's business franchise, prospects and assets, and an appropriate valuation for the Company. In early 2012, Mr. Webb kept Mr. Ford regularly updated on discussions, and Mr. Webb and Mr. Ford discussed a price in the range of \$41 to \$48, a range that in their view would constitute a full valuation for the Company in a sales transaction, based on their thorough knowledge of the Company, its financial performance and potential and its California markets, as well as their extensive professional experience in operating and valuing banks and other financial companies for investment purposes. On February 9, 2012, Mr. Baker and Mr. Webb met in person at PCBC's offices in Santa Barbara. No one else was present at the meeting. Mr. Baker communicated to Mr. Webb that UNBC would be prepared to offer \$42 in cash per share of Company common stock in an acquisition transaction in which the Company would become a wholly owned subsidiary of UNBC. Mr. Baker indicated that the proposal was subject to further due diligence as well as other conditions. In response, Mr. Webb expressed the view that the proposed price would not be acceptable to the Company view of the preliminary nature of the discussions and in the interest of minimizing the risk of an unintended premature disclosure of a potential transaction. Messrs. Webb and Ford did not consider it necessary or prudent to retain an investment bank at this time. Based on Mr. Webb's prior discussions with Mr. Ford, Mr. Webb indicated to Mr. Baker that Ford Financial would not support a transaction at a \$42 price level, but could support a transaction at a \$47 price level. Mr. Baker indicated that UNBC might be willing to reconsider the proposal if additional off-site due diligence material was made available: , and could potentially offer a \$46 price. Based on their preliminary discussions as to a transaction valuation, Mr. Webb and Mr. Baker agreed to a target range of \$46 to \$47, subject further to due diligence and Board approval. Over the course of the next several weeks, the parties continued periodic discussions with respect to the possibility of a transaction and additional due diligence material was shared by the Company with UNBC.

In early March, 2012, UNBC and the Company again discussed the appropriate financial terms of a potential transaction as well as, among other things, UNBC's expected timeline and plan with respect to the completion of due diligence. Following discussions, UNBC indicated that it was prepared to raise its earlier proposal to \$46 in cash per share of Company common stock. The indicated price represented a premium of approximately 63 percent to the then-prevailing trading level of the Company's common stock. UNBC also confirmed that it was in a position to complete any remaining due diligence in short order. Mr. Webb asked UNBC to raise its proposal to \$47, and after Mr. Baker refused, whether UNBC could "split the difference" between \$46 and \$47. Mr. Baker each time firmly responded that UNBC could not offer a price higher than \$46. After further discussion, and taking into consideration that the \$46 offer was at the level Mr. Webb and Mr. Ford had previously discussed as representing a full value for the Company, Mr. Webb indicated that he would be willing to present to the Company's board of directors for their consideration a business combination transaction with UNBC at that price. At no time during negotiations did UNBC offer any form of consideration for acquiring the Company other than cash.

During the first week of March, representatives of Wachtell, Lipton, Rosen & Katz, counsel to the Company, and of Sullivan & Cromwell LLP, counsel to UNBC, discussed with each other and their respective clients the terms and conditions set forth in a draft merger agreement for the transaction, and UNBC conducted on-site due diligence at the Company's offices. The initial draft of the merger agreement was produced by Sullivan & Cromwell and contemplated that SB Acquisition would act by written consent to provide the requisite Company stockholder approval of the merger by the end of the day on which the merger agreement was executed by UNBC and the Company. During the same period, the Company's management engaged Sandler O'Neill + Partners, L.P., or Sandler O'Neill, for the purpose of rendering an opinion as to the fairness, from a financial point of view, to the Company's shareholders of the proposed merger consideration and agreed with Sandler O'Neill on the fee that would be payable to Sandler O'Neill for its services.

On March 8, 2012, the board of directors of the Company convened a special meeting for Messrs. Ford and Webb to inform the other directors of the negotiations with UNBC, and for the full board to consider the proposed transaction. Representatives of Sandler O'Neill + Partners, L.P. and Wachtell Lipton participated in the meeting. Sandler O'Neill presented its financial analysis of the transaction, including its views of the financial condition of the Company and its business prospects and of the merger and acquisition market for U.S. bank holding companies generally, and rendered its opinion to the board that, as of the date of its opinion, the consideration to be paid to the Company's common stockholders in the merger was fair, from a financial point of view, to such holders. The full text of the written opinion of Sandler O'Neill, which describes, among other things, the assumptions, qualifications, limitations and other matters considered in connection with its opinion is attached to this information statement as *Annex B*. Wachtell Lipton then summarized for the board the material terms of the proposed merger agreement, the status of discussions over those terms and the expected process to complete the transaction if the board determined to approve the agreement, including the ability of SB Acquisition to provide the required stockholder approval by giving its written consent to the merger, and the required regulatory approvals. Wachtell Lipton also advised the directors with respect to their fiduciary duties in the context of the proposed transaction. Mr. Ford informed the board of directors that Ford Financial was supportive of the proposed transaction, based on the full and preemptive price considering the inherent risks in executing the Company's business plan, the likely time it would take to realize stock price appreciation to \$46 per share and the belief that it was implausible that in the foreseeable future another buyer would offer higher value. Ford Financial's decision was not the result of any circumstances particularly relating to Ford Financial (such as liquidity needs or cash flow concerns.)

Following further discussion, the Company's directors unanimously (including the votes of Mr. Ford and Mr. Webb) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement were fair to and in the best interests of the Company's stockholders, and declared advisable and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board authorized entry into the merger agreement, and did not seek to solicit other bids for the Company prior to the agreement being executed, based on the

information presented to it by its financial advisor, the level of consideration being offered by UNBC, its familiarity with the Company's financial performance and prospects, the prevailing trading level of its common stock and the support of Ford Financial, owner of its majority shareholder, for the transaction. Taken together these factors indicated that the probability of receiving a higher offer as the result of such a solicitation was outweighed by the risks such a course of action would involve, including potentially losing the proposed UNBC transaction and leaks and speculation that could disrupt and damage the Company. (Since the commencement of discussions with UNBC described herein to the date of this document, the Company has received no other indication of interest in an acquisition of the Company. However, shortly after the merger was announced, George Leis, a senior executive and a director of the Company, received an e-mail from Richard Davis, Chief Executive Officer of U.S. Bancorp, stating in its entirety "George - we are disappointed that we never got a call.")

On the evening of Friday, March 9, 2012, each of the parties executed the merger agreement. Later, SB Acquisition delivered a written consent adopting the merger agreement and the merger. On the morning of Monday, March 12, 2012, UNBC issued a press release announcing the transaction. An investor presentation by UNBC was also publicly released. The investor presentation, among other things, described how UNBC intended to realize enhanced tangible book value for the Company in the merger through being able to reverse the Company's historical deferred tax asset valuation allowance and, based on UNBC's evaluation of the Company's loan portfolio, by writing up the credit mark taken on that portfolio in connection with the 2010 recapitalization by approximately \$20 million after-tax.

Interests of the Company's Executive Officers and Directors in the Merger

[Insert at end]

Financial Interests in Ford Financial

Messrs. Ford and Webb have equity interests in Ford Financial, and pursuant to arrangements with the limited partners in Ford Financial, the general partner of Ford Financial, Ford Management, LP, is entitled to receive "carried interest" on Ford Financial's profits. Mr. Ford is the trustee of 2009 TCRT, which is the sole member of Ford Ultimate Management, LLC; Ford Ultimate Management, LLC is the general partner of Ford Management, LP. Mr. Webb is a Senior Principal and limited partner of Ford Management, LP and so has an equity participation in the fees and other income received by Ford Management, LP. The Company, through SB Acquisition, is the only investment of Ford Financial and, accordingly, it is anticipated that Ford Financial will be liquidated following the closing of the merger and its assets distributed to its partners.

Opinion of the Company Board of Directors' Financial Advisor

By letter dated March 5, 2012, the Company retained Sandler O'Neill to provide an opinion as to the fairness to the holders of the Company's common stock, from a financial point of view, of the consideration to be received by such holders in connection with the merger. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

At the March 8, 2012 special meeting at which the Company's board of directors considered and approved the merger agreement, Sandler O'Neill delivered to the board its oral opinion (later confirmed in writing, as described below), that, the merger consideration was fair to the holders of the Company's common stock from a financial point of view. The full text of Sandler O'Neill's written opinion, dated as of March 9, 2012, is included in this information statement as Annex B. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. The Company's stockholders should read the entire opinion and the description that follows carefully.

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

- (i) the merger agreement;
- (ii) certain publicly available financial statements and other historical financial information of the Company that Sandler O'Neill deemed relevant;
- (iii) certain financial statements of UNBC that Sandler O'Neill deemed relevant in determining UNBC's financial ability to undertake the merger;
- (iv) internal financial projections for the Company for the years ending December 31, 2012 through December 31, 2014 as provided by and discussed with senior management of the Company and an internal long-term growth rate for the years ending December 31, 2015 and 2016 as provided by senior management of the Company;
- (v) a comparison of certain financial and other information for the Company with similar publicly available information for certain other commercial banks, the securities of which are publicly traded;
- (vi) the terms and structures of other recent mergers and acquisition transactions in the banking sector;
- (vii) the current market environment generally and in the commercial banking sector in particular; and

- (viii) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of senior management of the Company the business, financial condition, results of operations and prospects of the Company.

In performing its reviews and analyses, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O'Neill from public sources, that was provided to Sandler O'Neill by the Company or that was otherwise reviewed by Sandler O'Neill and assumed such accuracy and completeness for purposes of preparing its opinion. Sandler O'Neill further relied on the assurances of the management of the Company that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading in any material respect. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of the Company or any its subsidiaries. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of the Company, UNBC or the combined entity after the merger and Sandler O'Neill did not review any individual credit files relating to the Company or UNBC. Sandler O'Neill assumed, with the Company's consent, that the respective allowances for loan losses for both the Company and UNBC are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

Sandler O'Neill assumed that there had been no material change in the respective assets, financial condition, results of operations, business or prospects of the Company or UNBC since the date of the most recent financial data made available to Sandler O'Neill. Sandler O'Neill also assumed in all respects material to Sandler O'Neill's analysis that the Company would remain as a going concern for all periods relevant to Sandler O'Neill's analyses. Sandler O'Neill expresses no opinion as to any of the legal, accounting and tax matters relating to the merger and any other transactions contemplated in connection therewith.

Sandler O'Neill's analyses and the views expressed in the opinion are necessarily based on financial, economic, regulatory, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, March 9, 2012. Events occurring after such date could materially affect Sandler O'Neill's views. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after March 9, 2012.

Sandler O'Neill's opinion is directed to the Company's board of directors in connection with its consideration of the merger and does not constitute a recommendation to any stockholder of the Company. Sandler O'Neill's opinion is directed only to the fairness, from a financial point of view, of the merger consideration to holders of the Company's common stock and does not address the underlying business decision of the Company to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company might engage. Sandler O'Neill was not engaged to solicit alternative indications of interest from other potential buyers. The opinion was approved by Sandler O'Neill's fairness opinion committee. Sandler O'Neill does not express any opinion as to the fairness of the amount or nature of the

compensation to be received in the merger by the Company's officers, directors, or employees, or class of such persons, relative to the compensation to be received in the merger by any other stockholders of the Company.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather Sandler O'Neill made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to the Company and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the Company and other factors that could affect the public trading values or merger transaction values, as the case may be, of the Company and the companies to which it is being compared.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of the Company, UNBC and Sandler O'Neill. The analysis performed by Sandler O'Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the Company's board of directors at its March 8, 2012 special meeting. Estimates of the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. The analysis and opinion of Sandler O'Neill was among a number of factors taken into consideration by the Company's board of directors in making its determination to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger) and the analyses described below should not be viewed as determinative of the decision of the Company's board of directors or management with respect to the fairness of the merger.

Summary of Proposal. Sandler O'Neill reviewed the financial terms of the proposed transaction. Using \$46.00 per share in cash, Sandler O'Neill calculated an aggregate transaction value of \$1.52 billion. Based upon financial information as or for the twelve-month period ended December 31, 2011, Sandler O'Neill calculated the following ratios:

Transaction Pricing Ratios

	Pacific Capital Information As of December 31, 2011		Proposed Transaction	Precedent Transaction
	Aggregate (\$000s)	Per Share	Metrics	Metrics(4)
Book Value	\$761,970	\$23.16	199%	102%
Tangible Book Value	672,715	20.45	225%	164%
Adjusted Book Value(1)	944,970	28.72	160%	102%
Adjusted Tangible Book Value(1)	855,715	26.01	177%	164%
Last-twelve-months Net Income	70,522	2.14	21.5x	24.6
Estimated next-twelve-months Net Income	70,078	2.13	21.6x	21.6
2011 Net Income—Tax Adjusted(2)	41,341	1.26	36.6x	24.6
Estimated 2012 Net Income—Tax Adjusted(2)	41,346	1.26	36.6x	21.6
Core Deposits (excludes Jumbo CDs)(3)	3,784,855	-	22.4%	3.8%
Core Deposits (excludes Jumbo CDs)— Adjusted Tangible Book Value(1)(3)	3,784,855	-	17.5%	3.8%
Market Price (3/7/12)	929,802	28.26	62.8%	31.8%

-
- (1) Assumes the realization prior to year-end 2012 of up to \$183 million in additional equity through the removal of a portion of the existing valuation allowance on the Company's deferred tax assets. The exact timing and amount of this realization, if any, may be materially different from this assumption. The "Adjusted Book Value" and "Adjusted Tangible Book Value" figures assume this equity realization as if recognized as of December 31, 2011. This would result in a ratio of tangible common equity / total assets of 14.6% as of December 31, 2011.
- (2) Assumes a normalized tax rate of 41%. The Company's 2011 effective tax rate was negative 0.7%.
- (3) Sandler O'Neill calculated core deposits as total deposits excluding certificates of deposit in excess of \$100,000 and brokered deposits.
- (4) Median values based on nationwide commercial bank and thrift merger transactions since 6/30/09 with transaction values in excess of \$500 million.

The aggregate transaction value of approximately \$1.52 billion is based upon the offer price per share of \$46.00, and share counts as of December 31, 2011, including 32,904,997 shares of the Company's common stock outstanding, outstanding warrants exercisable for 15,120 shares of Company common stock at an exercise price of \$20 per share, outstanding stock options (granted prior to January 1, 2011) exercisable for 8,122 shares of Company common

stock at a weighted average strike price of \$2,293.07, outstanding stock options (granted after December 31, 2010) exercisable for 43,713 shares of Company common stock at a weighted average strike price of \$31.15, and 107,345 incremental shares (restricted stock awards, restricted stock units).

Stock Trading History. Sandler O'Neill reviewed the history of the reported trading prices and volume of the Company's common stock and the relationship between the movements in the prices of the Company's common stock to movements in certain stock indices, including the S&P 500 Index, NASDAQ Bank Index, the weighted average performance (based upon market capitalization) of a peer group of publicly traded Western Region banks, selected by Sandler O'Neill, and the weighted average performance (based upon market capitalization) of a peer group of publicly traded "High Performing Nationwide" banks, selected by Sandler O'Neill. The institutions included in these peer groups are identified under "Comparable Company Analysis" below.

The table below reflects the performance of the Company's common stock and the various indices and peer groups to which it was compared during the period beginning August 31, 2010 and ending March 7, 2012.

Pacific Capital's Stock Performance

	Beginning Index Value August 31, 2010	Ending Index Value March 7, 2012
Pacific Capital	100%	36%
Pacific Capital Western Region Peers	100%	91%
NASDAQ Bank Index	100%	107%
S&P 500 Index	100%	125%
Pacific Capital High Performing Nationwide Peers	100%	125%

Comparable Company Analysis. Sandler O'Neill used publicly available information to compare selected financial and market trading information for the Company and two groups of financial institutions selected by Sandler O'Neill. The Pacific Capital Western Region peer group consisted of publicly traded commercial banks headquartered in the Western Region of the United States with assets between \$4.0 billion and \$15.0 billion:

Bank of Hawaii Corporation	Glacier Bancorp, Inc.
Banner Corporation	PacWest Bancorp
Central Pacific Financial Corp	Sterling Financial Corporation
Columbia Banking System, Inc.	Umpqua Holdings Corporation
CVB Financial Corp	Westamerica Bancorporation
First Interstate BancSystem, Inc.	Western Alliance Bancorporation

The Pacific Capital High Performing Nationwide peer group consisted of publicly traded commercial banks headquartered in the United States with assets between \$4.0 billion and \$15.0

billion, last-twelve-months return on average assets greater than 1.0%, and non-performing assets-to-assets ratio of less than 2.0%:

1st Source Corporation	National Penn Bancshares, Inc.
Bank of Hawaii Corporation	NBT Bancorp Inc.
Community Bank System, Inc.	Prosperity Bancshares, Inc.
CVB Financial Corp.	Signature Bank
First Financial Bankshares, Inc.	Texas Capital Bancshares, Inc.
International Bancshares Corporation	Westamerica Bancorporation

The analysis compared publicly available financial and market trading information for the Company and the median financial and market trading information for the Company's peer groups as of and for the twelve-month period ended December 31, 2011. The table below sets forth the data for the Company and the median data for these peer groups as of and for the twelve-month period ended December 31, 2011, with pricing data as of March 7, 2012.

Comparable Group Analysis

	Pacific Capital	Peer Group Maximum Result		Peer Group Minimum Result		Peer Group Mean Result		Peer Group Median Result	
		Western	High Perform	Western	High Perform	Western	High Perform	Western	High Perform
Total Assets (in millions)	\$5,850	\$13,846	\$14,666	\$4,133	\$4,121	\$7,183	\$8,234	\$6,664	\$7,313
Market Capitalization (in millions)	\$930	\$2,069	\$2,745	\$225	\$587	\$946	\$1,372	\$899	\$1,269
Price / Tangible Book Value	138%	317%	327%	87%	115%	155%	207%	137%	204%
Price / Last-twelve-months Earnings per Share	13.2x	31.0x	18.4x	5.0x	9.9x	16.3x	14.1x	14.9x	14.4x
Price / Est. 2012 Earnings per Share	-	15.9x	16.2x	12.1x	11.7x	14.1x	13.9x	14.0x	14.1x
Price / Est. 2013 Earnings per Share	-	20.3x	14.7x	10.1x	10.7x	13.5x	12.9x	12.5x	12.8x
Dividend Yield	0.0%	4.0%	4.0%	0.0%	0.0%	2.1%	2.5%	2.8%	2.8%
1-Year Price Change	(5.3%)	28.1%	34.3%	(34.6%)	(9.8%)	1.2%	9.0%	3.1%	7.9%
Tangible Common Equity / Tangible Assets	11.68%	13.41%	11.04%	6.76%	6.76%	9.27%	8.75%	9.29%	8.96%
Tier 1 Leverage Ratio	12.40%	13.78%	12.74%	6.73%	6.73%	10.89%	9.71%	11.05%	9.23%
Non-performing Assets / Assets	1.20%	4.93%	1.91%	0.54%	0.18%	3.06%	1.02%	3.88%	0.80%
Reserves / Loans	0.15%	5.77%	2.70%	1.29%	0.92%	2.78%	1.81%	2.60%	1.77%
Net Interest Margin	4.16%	6.27%	5.32%	3.09%	3.13%	4.22%	3.98%	4.04%	4.00%
Return on Average Assets	1.20%	1.78%	1.78%	0.13%	1.02%	0.81%	1.27%	0.77%	1.16%
Return on Average Equity	10.0%	16.1%	16.1%	1.1%	7.6%	7.8%	11.7%	6.2%	11.4%
Efficiency Ratio	69.7%	95.1%	65.6%	42.6%	37.3%	62.3%	52.2%	61.1%	55.4%

Additional details regarding the companies used by Sandler O'Neill in the peer groups are set forth in Annex D.

Analysis of Selected Merger Transactions. Sandler O'Neill reviewed seven merger transactions announced from June 30, 2009 through March 7, 2012 involving nationwide commercial banks and thrifts with announced transaction values greater than \$500 million.

Sandler O'Neill reviewed the following transaction pricing multiples: transaction price at announcement to book value per share, transaction price to tangible book value per share, transaction price to last-twelve-months (LTM) earnings per share, transaction price to next-twelve-months (NTM) estimated earnings per share, tangible book premium to core deposits, and transaction price to target price one day before announcement of the transaction. Sandler O'Neill also reviewed the following financial metrics of the targets in each of the seven transactions: total assets, tangible equity / tangible assets, non-performing assets / assets, last-twelve-months return on average assets, and last-twelve-months return on average equity. As illustrated in the following table, Sandler O'Neill compared the proposed merger multiples to the maximum, minimum, mean and median multiples of comparable transactions.

Comparable Merger Transactions

Transaction Ratios	Proposed Transaction			Comp.			
	Stated	Adjusted(1)	Tax Adjusted(2)	Max	Min	Mean	Median
Transaction Price / Book Value Per Share	199%	160%	-	189%	83%	119%	102%
Transaction Price / Tangible Book Value Per Share	225%	177%	-	230%	97%	152%	164%
Transaction Price / LTM Earnings Per Share	21.5x	-	36.6x	31.9x	12.6x	23.0x	24.6x
Transaction Price / NTM Earnings Per Share	21.6x	-	36.6x	21.6x	21.6x	21.6x	21.6x
Tangible Book Premium / Core Deposits	22.4%	17.5%	-	16.7%	(0.5)%	6.2%	3.8%
Market Premium (1 Day)	62.8%	-	-	46.5%	24.9%	33.8%	31.8%

Financial Information as of Period Prior to Transaction Announcement	Proposed Transaction			Comp.			
	Stated	Adjusted(1)	Tax Adjusted(2)	Max	Min	Mean	Median
Total Assets	\$5,850	-	-	\$92,222	\$3,082	\$28,548	\$11,517
Tangible Equity / Tangible Assets	13.0%	16.2%	-	13.1%	8.4%	10.5%	10.8%
Non-performing Assets / Assets	1.2%	-	-	6.8%	0.3%	3.7%	4.2%
Last-twelve-months Return on Average Assets	1.2%	-	-	1.5%	(1.4)%	(0.1)%	0.0%
Last-twelve-months Return on Average Equity	10.0%	-	-	15.9%	(9.4)%	0.2%	0.1%

- (1) Assumes the realization prior to year-end 2012 of up to \$183 million in additional equity through the removal of a portion of the existing valuation allowance on the Company's deferred tax assets. The exact timing and amount of this realization, if any, may be materially different from this assumption and is not known at this time. The "Adjusted Book Value" and "Adjusted Tangible Book Value" figures assume this equity realization as if recognized as of December 31, 2011. This would result in a ratio of tangible common equity / total assets of 14.6% as of December 31, 2011.
- (2) Assumes a normalized tax rate of 41%. The Company's 2011 effective tax rate was negative 0.7%.

Additional details regarding the transactions used by Sandler O'Neill in the comparable merger transactions analysis are set forth in Annex D.

Net Present Value Analysis. Sandler O'Neill performed an analysis that estimated the present value per common share of the Company through December 31, 2016, assuming that the Company performed in accordance with the financial projections for the years ending December 31, 2012 through December 31, 2014 and long-term growth rates for the years ending December 31, 2015 and 2016, in each case as provided by senior management of the Company. For the years ending December 31, 2015 and 2016, management provided Sandler O'Neill with run-rate guidance of 5% annual asset growth and 10% pretax net income growth, which Sandler O'Neill then used to calculate financial projections for those periods. Sandler O'Neill based its analysis on the projections provided by senior management, but in certain cases made minor adjustments

to reflect updated interest rates and similar adjustments, and calculated certain financial metrics using formulas and assumptions different from those used by management. Further details on the financial projections are provided in the table below.

<u>(\$ in millions)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total Assets</u>	<u>\$6,035.4</u>	<u>\$6,387.5</u>	<u>\$6,744.1</u>
<u>Total Equity¹</u>	<u>\$618.5</u>	<u>\$644.4</u>	<u>\$671.2</u>
<u>Tangible Book Value¹</u>	<u>535.7</u>	<u>568.0</u>	<u>600.6</u>
<u>Reversal of portion of DTA valuation allowance¹</u>	<u>183.0</u>	<u>0.0</u>	<u>0.0</u>
<u>Cash Dividends</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<u>(Excess Dividends) / Capital Required to Fund Growth¹</u>	<u>(363.6)</u>	<u>(13.9)</u>	<u>(18.2)</u>

¹ As calculated by Sandler O'Neill

To approximate the terminal value of the Company's common stock at December 31, 2016, Sandler O'Neill applied price to last-twelve-months-earnings multiples of 10.0x to 20.0x and multiples of tangible book value ranging from 125% to 250%. The terminal values were then discounted to present values using discount rates ranging from 8.00% to 14.00% which were selected to reflect different assumptions regarding desired rates of return of holders of the Company's common stock. This range of discount rates was based on two industry-standard methods for calculating discount rates, using the market inputs shown in the table below.

<u>Cost of Equity Calculation based on Ibbotson Premia</u>		<u>Cost of Equity Calculation based on Beta</u>	
<u>10 Year Treasury Bond (3/7/12)</u>	<u>1.97%</u>	<u>10 Year Treasury Bond (3/7/12)</u>	<u>1.97%</u>
<u>Size Premium¹</u>	<u>1.98%</u>		<u>1.19%</u>
<u>Equity Risk Premium²</u>	<u>6.10%</u>	<u>Equity Risk Premium</u>	<u>6.10%</u>
<u>Industry Premium³</u>	<u>1.99%</u>	<u>Discount Rate</u>	<u>8.44%</u>
<u>Discount Rate</u>	<u>12.04%</u>		

¹ Ibbotson size premium based on market capitalization between \$478 million and \$1.776 billion

² Ibbotson 60-Year Equity Risk Premium

³ Ibbotson industry premium for depository institutions

⁴ Based on median 2-year beta as reported by Bloomberg for all companies in both the regional and high performing peer groups

(excludes Prosperity Bancshares Inc. for which there is no reported value). In addition, the terminal value of the Company's common stock at December 31, 2016 was calculated using the same range of price to last-twelve-months earnings multiples (10.0x to 20.0x) applied to a range of favorable and unfavorable variances to the Company's senior management's projections. The range applied to the budgeted net income was 20% under budget to 20% over budget, using a discount rate of 11.00% for the analysis. As illustrated in the following tables, this analysis indicated an imputed range of values per share for the Company's common stock of \$19.91 to \$34.68 when applying the price/earnings multiples to the matched budget, \$24.28 to \$46.02 when applying multiples of tangible book value to the matched budget and \$15.17 to \$48.29 when applying the price/earnings multiples to the 20% under budget to 20% over budget range.

Terminal Multiple of Earnings	Discount Rate						
	8.00%	9.00%	10.00%	11.00%	12.00%	13.00%	14.00%
10.0x	\$23.20	\$22.58	\$22.00	\$21.44	\$20.91	\$20.40	\$19.91
12.0x	\$25.49	\$24.78	\$24.10	\$23.45	\$22.83	\$22.24	\$21.68
14.0x	\$27.79	\$26.98	\$26.20	\$25.46	\$24.76	\$24.09	\$23.45
16.0x	\$30.08	\$29.17	\$28.30	\$27.47	\$26.68	\$25.93	\$25.22
18.0x	\$32.38	\$31.37	\$30.40	\$29.48	\$28.61	\$27.78	\$26.98
20.0x	\$34.68	\$33.56	\$32.50	\$31.50	\$30.54	\$29.62	\$28.75

Terminal Multiple of TBV	Discount Rate						
	8.00%	9.00%	10.00%	11.00%	12.00%	13.00%	14.00%
125%	\$28.87	\$28.01	\$27.19	\$26.41	\$25.66	\$24.96	\$24.28
150%	\$32.30	\$31.29	\$30.33	\$29.41	\$28.54	\$27.71	\$26.92
175%	\$35.73	\$34.57	\$33.47	\$32.42	\$31.42	\$30.47	\$29.56
200%	\$39.16	\$37.85	\$36.61	\$35.42	\$34.30	\$33.23	\$32.21
225%	\$42.59	\$41.13	\$39.74	\$38.43	\$37.17	\$35.98	\$34.85
250%	\$46.02	\$44.41	\$42.88	\$41.43	\$40.05	\$38.74	\$37.49

Variability to Forecast Net Income	Terminal Multiple of Earnings					
	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
20.0%	\$30.41	\$33.98	\$37.56	\$41.13	\$44.71	\$48.29
15.0%	\$27.88	\$31.01	\$34.14	\$37.27	\$40.40	\$43.53
10.0%	\$25.55	\$28.28	\$31.00	\$33.72	\$36.44	\$39.16
5.0%	\$23.41	\$25.76	\$28.11	\$30.46	\$32.81	\$35.16
0.0%	\$21.44	\$23.45	\$25.46	\$27.47	\$29.48	\$31.50
(5.0%)	\$19.64	\$21.35	\$23.05	\$24.76	\$26.46	\$28.17
(10.0%)	\$18.00	\$19.43	\$20.86	\$22.29	\$23.72	\$25.15
(15.0%)	\$16.51	\$17.70	\$18.88	\$20.07	\$21.25	\$22.44
(20.0%)	\$15.17	\$16.14	\$17.10	\$18.07	\$19.04	\$20.01

In connection with its analyses, Sandler O'Neill considered and discussed with the Company's board of directors how the present value analyses would be affected by changes in the underlying assumptions, including variations with respect to net income. Sandler O'Neill noted that the discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

Miscellaneous. Sandler O'Neill will receive a fee of \$1 million from the Company for providing this opinion and, half of which was paid upon rendering the fairness opinion and half of which is due and payable upon closing of the merger. Sandler O'Neill did not render any other advice or services in connection with the merger. Sandler O'Neill was selected to render the fairness opinion based on its past experience with and knowledge of the Company, as well as its standing, reputation, and expertise and focus on the banking industry. The Company has also agreed to indemnify Sandler O'Neill against certain liabilities arising out of its engagement. In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to the Company and UNBC and their affiliates. Sandler O'Neill has, in the past, provided certain investment banking services to the Company and has received

compensation for such services, most recently in connection with Ford Financial's investment and the overall recapitalization of the Company completed in August 2010. 2010 and the exploration of alternatives leading up to those events, for which it has received total fees of \$9.6 million since January 1, 2010. Sandler O'Neill was also engaged by the U.S. Department of the Treasury to investigate possible sales of securities owned by the Treasury in a number of financial institutions, including equity interests in the Company, and advised the Company's board of directors of this engagement. During this period, Sandler O'Neill has not received any compensation from UNBC. Sandler O'Neill may also actively trade the debt or equity securities of the Company and/or UNBC or their affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Prospective Financial Information

The Company does not, as a matter of course, publicly disclose forecasts or internal projections as to future performance, revenues, earnings, financial condition or other results. The Company provided certain projections of the Company's future financial performance to Sandler O'Neill as requested by Sandler O'Neill for analysis in connection with its fairness opinion, as well as to UNBC. The projections which were provided to Sandler O'Neill were prepared by the management of the Company, and were reviewed by Mr. Webb, and Sandler O'Neill, after discussions with the CFO of the Company, made some updates to such projections which were immaterial.

The projections were not prepared with a view toward public disclosure and the inclusion of the projections in this information statement should not be regarded as an indication that the Company or any other recipient of the projections considered, or now considers, them to be necessarily predictive of actual future results. The projections were not prepared with a view toward complying with SEC guidelines or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of financial information. Neither the Company's current independent auditors nor any other independent accountants have compiled, examined or performed any procedures with respect to the prospective financial information set forth below, or expressed any opinion or given any form of assurance on such information or its achievability.

The prospective financial information set forth below reflects numerous estimates and assumptions made by the Company with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the Company's business, none of which can be predicted with precision and many of which are beyond the Company's control. The projections also reflect subjective judgment in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The projections constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results reflected in such projections. Investors should consider the risks and uncertainties in our business that may affect future performance and that are discussed under "Cautionary Statement Regarding Forward-Looking Statements" and in the documents incorporated by reference in this information statement. None of the Company, UNBC or any of their financial advisors or any of their affiliates assumes any responsibility for the validity,

reasonableness, accuracy or completeness of the prospective financial information set forth below. The projections do not take into account any circumstances or events occurring after the date they were prepared, including the transactions contemplated by the merger agreement. None of the Company, UNBC or any of their financial advisors or any of their affiliates intends to, and each of them disclaims any obligation to, update, revise or correct these projections.

Certain of the prospective financial information set forth below may be considered non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by the Company may not be comparable to similarly titled amounts used by other companies.

Projections

(\$ in 000s)	2012	2013	2014
Total Assets	<u>\$ 6,035.4</u>	<u>\$ 6,387.5</u>	<u>\$ 6,744.1</u>
Interest Income	\$ 265,568	\$ 263,271	\$ 277,361
Interest Expense	34,543	34,148	39,029
Net Interest Income	<u>\$ 231,025</u>	<u>\$ 229,124</u>	<u>\$ 238,332</u>
Provision Expense	8,317	10,129	16,184
Non-Interest Income	53,988	54,687	56,721
Non-Interest Expense	206,617	198,506	194,790
Pre-Tax Income	<u>\$ 70,078</u>	<u>\$ 75,175</u>	<u>\$ 84,079</u>
Income Taxes	0	0	0
Net Income to Common	<u>\$ 70,078</u>	<u>\$ 75,175</u>	<u>\$ 84,079</u>

Annex D

Pacific Capital Western
Region peer group

Company	City, St.	Ticker	Total Assets (\$mm)	Market Cap (\$mm)	TBY (%)	LTM EPS (\$)	2012E EPS (\$)	2013E EPS (\$)	Div. Yield (%)	1 Year Price Change (%)	TCF TA (%)	Tier 1 Lev. (%)	NPAs/ Assets (%)	Res./ Loans (%)	NIM (%)	ROAA (%)	ROAE (%)	Eff. Ratio (%)	Recently Marked Balance Sheet?
Bank of Hawaii Corp.	Honolulu, HI	BOH	13,846	2,069	213	12.9	13.8	13.3	4.0	(4.7)	2.03	6.73	0.54	2.49	3.13	1.22	15.7	58.1	N
Umpqua Holdings Corp.	Portland, OR	UMPO	11,563	1,331	134	17.9	15.5	12.7	2.4	7.6	9.14	10.91	1.69	1.62	4.19	0.64	4.5	61.9	N
Sterling Financial Corp.	Spokane, WA	STSA	9,193	1,212	140	31.0	13.7	11.2	0.0	15.0	9.44	11.43	4.01	3.06	3.29	0.42	4.8	73.0	N
First Interstate BancSystem	Bilings, MT	FIBK	7,326	225	111	5.0	12.1	10.9	3.5	(5.9)	7.43	9.84	3.75	2.69	3.80	0.61	5.9	60.3	N
Glacier Bancorp. Inc.	Kalisball, MT	GBCI	7,188	982	134	NM	14.5	12.3	3.8	(11.9)	10.40	11.81	4.33	3.86	3.89	0.25	2.0	57.6	N
Western Alliance Bancorp.	Phoenix, AZ	WAL	6,845	669	144	21.2	13.9	10.1	0.0	3.1	6.76	9.81	4.27	2.07	4.37	0.49	5.0	65.6	N
CVB Financial Corp.	Ontario, CA	CVBF	6,483	1,100	168	13.5	12.8	11.7	3.2	28.1	10.19	11.19	1.77	2.70	4.03	1.26	12.0	46.9	N
PacWest Bancorp.	Los Angeles, CA	PACW	5,528	762	156	15.0	13.4	12.2	2.4	6.0	8.95	10.42	4.04	3.29	5.26	0.92	9.9	54.3	N
Westamerica Bancorp.	San Rafael, CA	WABC	5,042	1,292	317	14.7	14.9	14.4	3.2	(9.8)	8.35	8.38	1.36	1.29	5.22	1.78	16.1	42.6	N
Columbia Banking System Inc.	Tacoma, WA	COLB	4,786	817	131	17.0	15.9	15.3	1.5	3.0	13.41	12.95	1.96	2.01	6.27	1.07	6.6	63.3	N
Banner Corp.	Walla Walla, WA	BANR	4,257	352	87	NM	14.1	20.3	0.2	17.9	9.54	13.44	4.02	2.52	4.05	0.13	1.1	68.3	N
Central Pacific Financial Corp.	Honolulu, HI	CPI	4,133	539	123	14.8	14.9	17.9	0.0	(34.6)	10.63	13.78	4.93	5.77	3.09	0.90	9.6	95.1	N

Company	City, St.	Ticker	1 Year										Tier 1 Lev. (%)	NPA/ Assets (%)	Res./ Loans (%)	NIM (%)	ROAA (%)	ROAE (%)	Eff. Ratio (%)	Marked Balance Sheet?	Recent
			Total Assets (\$mm)	Market Cap. (\$mm)	TBV (\$)	LTM EPS (\$)	2012E EPS (\$)	2013E EPS (\$)	Div. Yield (%)	Price Change (%)	TCV (\$)	TA (\$)									
Signature Bank	New York, NY	SBNY	14,666	2,745	195	18.4	16.2	14.1	0.0	8.9	9.60	9.67	0.64	1.19	2.57	1.14	13.0	37.3	N		
Bank of Hawaii Corp.	Honolulu, HI	BOHI	13,446	2,069	213	12.9	13.8	13.3	4.0	6.70	7.03	6.73	0.54	2.49	3.13	1.22	15.7	58.1	N		
International Bancshares Corp.	London, TX	IBCO	11,740	1,262	115	9.9	11.7	10.7	2.0	3.6	9.57	12.74	1.01	1.67	3.14	1.08	8.3	58.2	N		
Energy Bancshares Inc.	Houston, TX	EB	9,823	2,048	322	14.4	14.1	12.8	1.8	2.8	7.00	7.89	0.18	1.57	3.98	1.47	9.4	39.8	N		
National Penn Bancshares Inc.	Baytown, PA	NPPB	8,486	1,288	142	14.7	14.1	11.6	2.4	8.3	11.04	12.00	0.88	2.44	3.52	1.02	7.6	58.0	N		
Texas Capital Bancshares Inc.	Dallas, TX	TCBI	8,138	1,275	213	16.8	14.4	13.2	0.0	34.3	7.44	8.78	1.42	0.92	4.63	1.11	13.4	53.2	N		
Community Bank System Inc.	De Soto, NY	CUU	6,638	1,047	238	14.3	12.9	12.1	3.9	8.0	6.16	8.38	0.45	1.22	4.07	1.14	10.4	57.6	N		
CNB Financial Corp.	Omaha, CA	CYBE	6,443	1,100	168	13.5	12.8	11.7	3.2	28.1	10.19	11.19	1.77	2.20	4.03	1.26	12.0	46.9	N		
NBT Bancorp Inc.	Babylon, NY	NBTB	4,598	200	179	12.1	12.6	12.0	3.8	43.3	7.14	8.74	0.72	1.88	4.09	1.06	10.7	60.0	N		
Westminster Bancorp.	San Rafael, CA	WABC	5,642	1,262	317	14.7	14.9	14.4	3.2	9.8	8.35	8.38	1.36	1.29	5.32	1.78	16.1	42.6	N		
1st Source Corp.	South Bend, IN	SBCF	4,374	587	104	12.4	-	-	2.7	22.3	10.18	11.22	1.22	2.63	3.69	1.08	9.5	65.6	N		
First Bancshares	Arlene, TX	FFIN	4,121	1,049	240	15.3	15.2	14.7	2.9	1.1	10.78	10.33	0.21	1.92	4.62	1.28	14.4	47.5	N		

Selected Merger Transactions

Buyer Name/Target Name	Announce Date	Deal Value (\$mill)	Price				NTM Est. Earnings Per Share (\$)	Tang. Book Value Per Share (%)	LTM Earnings Per Share (\$)	Tang. Book		Premium 1 day (%)	Total Assets (\$mill)	TE/TA (%)	NPAs/ Assets (%)	LTM ROAA (%)	LTM ROAE (%)
			Book Value Per Share (%)	Book Value Per Share (%)	Book Value Per Share (%)	Book Value Per Share (%)											
Prosperity Bancshares, Inc./American State Financial Corporation	2/26/2012	529.2	189	206	12.6	na	na	13.5	na	na	na	na	3,082	8.4	0.3	1.5	15.9
PNC Financial Services Group, Inc./RBC Bank (USA)	6/19/2011	3,450.0	87	97	NM	na	na	(0.5)	na	na	na	na	27,376	13.1	6.8	-1.4	-9.4
Capital One Financial Corporation/ING Bank, FSB	6/16/2011	9,000.0	100	102	31.9	na	na	0.2	na	na	na	na	92,222	9.6	1.9	0.3	3.2
Comerica Incorporated/Sterling Bancshares, Inc.	1/16/2011	1,028.9	162	230	NM	NM	NM	16.7	29.8	na	na	na	5,040	9.1	3.9	0.0	0.1
Hancock Holding Company/Whitney Holding Corporation	12/21/2010	1,768.4	109	164	NM	NM	NM	7.4	46.5	na	na	na	11,517	10.8	4.5	-0.5	-3.2
BMO Financial Group/Marshall & Iskey Corporation	12/17/2010	5,799.0	83	98	NM	NM	NM	(0.2)	33.9	na	na	na	51,887	11.5	4.9	-1.1	-9.3
First Niagara Financial Group, Inc./New Alliance Bancshares, Inc.	8/18/2010	1,498.0	102	165	24.6	21.6	na	na	24.9	na	na	na	8,712	11.1	na	0.7	4.0

EXHIBIT B

1 CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP
Francis A. Bottini, Jr. (SBN 175783)
2 fbottini@cfsblaw.com
Keith M. Cochran (SBN 254346)
3 kcochran@cfsblaw.com
550 West C Street, Suite 2000
4 San Diego, CA 92101
Telephone: (619) 241-4810
5 Facsimile: (619) 955-5318

6 *Lead Counsel for Plaintiffs*

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF SANTA BARBARA

9 MARIANNE MONTY, on behalf of herself	)	Lead Case No. 1385564 (Consolidated with
10 and all other similarly situated,	)	Nos. 1385645, 1385673, 1385731, 1385814)
)	
11 Plaintiff	)	<u>CLASS ACTION</u>
)	
12 v.	)	[PROPOSED] ORDER PRELIMINARILY
	)	APPROVING SETTLEMENT AND
13 GERALD J. FORD, et al.,	)	PROVIDING FOR NOTICE
)	
14 Defendants.	)	DATE ACTION FILED: 03/13/12
)	
	)	Judge: Honorable Colleen K. Sterne
	)	Department: SB5

16
17 Plaintiffs having made an application for entry of an Order in accordance with a Stipulation
18 and Agreement of Compromise and Settlement dated June __, 2012 (the "Stipulation")¹, which
19 (along with the terms defined therein) is incorporated herein by reference and which, together with
20 the Exhibits thereto, sets forth the terms and conditions for the proposed Settlement of the above-
21 captioned action pending in this Court, and the action styled *In re Pacific Capital Bancorp*
22 *Shareholders Litigation*, Consolidated C.A. No. 7341-VCN pending in the Court of Chancery, and
23 for dismissal of the Actions with prejudice upon the terms and conditions set forth therein.

24 **WHEREAS**, the Court having read and considered the Stipulation and Exhibits annexed
25 thereto;

26 **NOW, THEREFORE, IT IS HEREBY ORDERED:**

27
28 ¹ All defined terms contained herein shall have the same meanings as set forth in the Stipulation.

1 1. Pursuant to California Code of Civil Procedure Section 382 and California Rules of
2 Court, Rule 3.760, et seq., this Court preliminarily certifies, for purposes of effectuating this
3 Settlement only, a Class of all persons or entities who held PCB stock, either of record or
4 beneficially, at any time between March 9, 2012, and the date of the closing of the Merger, including
5 their respective successors-in-interest, predecessors, representatives, trustees, executors,
6 administrators, heirs, assigns or transferees, immediate and remote and any person or entity acting
7 for or on behalf of, or claiming under any of them, and each of them. Excluded from the Class are
8 Defendants, Defendants' affiliates, members of the immediate family of any individual defendant,
9 any entity in which a defendant has or had a controlling interest, directors and officers of PCB and
10 their legal representatives, heirs, successors, or assigns of any such excluded person or entity.

11 2. With respect to the Class, this Court conditionally finds and concludes, for purposes
12 of effectuating this Settlement only, that: (a) the members of the Class are so numerous that joinder
13 of all Class Members in the Actions is impracticable; (b) there are questions of law and fact common
14 to the Class that predominate over any individual questions; (c) Plaintiffs' claims are typical of the
15 claims of the Class; (d) Plaintiffs and Plaintiffs' counsel have fairly and adequately represented and
16 protected the interests of all of the Class Members; and (e) a class action is superior to other methods
17 for the fair and efficient adjudication of the matter. The Court hereby appoints Plaintiffs Marianne
18 Monty as Class Representative for the Class and Chapin Fitzgerald Sullivan & Bottini, LLP as Class
19 Counsel for the Class.

20 3. The Court does hereby preliminarily approve the Stipulation and the Settlement set
21 forth therein, subject to further consideration at the Settlement Hearing described below.

22 4. The Settlement Hearing shall be held before this Court on _____, 2012, at
23 ____:____.m. at Department 5 of the Santa Barbara County Superior Court, located at 1100 Anacapa
24 Street, Santa Barbara, California 93121, to determine whether the proposed Settlement of the
25 Actions on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate
26 to the Class and should be approved by the Court; and whether a Judgment as provided in the
27 Stipulation should be entered herein.

1 5. The Court approves, as to form and content, the Notice of Pendency and Settlement
2 of Class Action (the “Notice”) annexed as Exhibit C to the Stipulation, and finds that the publication
3 of the Notice substantially in the manner and form set forth in this Order meets the requirements of
4 California Rules of Court, Rule 3.766, and due process, and is the best notice practicable under the
5 circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

6 6. Counsel for the Parties are hereby ordered to cooperate to supervise and administer
7 the Notice procedure as more fully set forth below:

8 (a) Not later than thirty (30) calendar days from the date of the entry of this Order (the
9 “Notice Date”), Defendants shall mail the Notice to all PCB shareholders of record.

10 (b) At least fourteen (14) calendar days prior to the Settlement Hearing, Defendants’
11 counsel shall file with this Court proof, by affidavit or declaration, of mailing.

12 7. Any Class Member may enter an appearance in the Actions, at the Class Member’s
13 own expense, individually or through counsel of the Class Member’s own choice. Any Class
14 Member who does not enter an appearance will be represented by Plaintiffs’ counsel.

15 8. Unless and until the Settlement is canceled and terminated pursuant to the Stipulation,
16 neither Plaintiffs nor any Class Member, either directly, representatively, or in any other capacity,
17 shall commence or prosecute against any of the Released Persons, any action or proceeding in any
18 court or tribunal asserting any of the Released Claims, including Unknown Claims.

19 9. All memoranda or briefs in support of the Settlement or attorneys’ fees and expenses,
20 shall be filed no later than thirty (30) days prior to the Settlement Hearing.

21 10. Any Class Member may appear and show cause, if the Class Member has any reason
22 why the proposed Settlement of the Actions should or should not be approved as fair, reasonable and
23 adequate, or why the Judgment should or should not be entered thereon ***provided, however***, no Class
24 Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed
25 Settlement, or, if approved, the Judgment to be entered thereon approving the same unless that
26 person has delivered by hand or sent by first-class mail written objections and copies of any papers
27 and briefs, such that they are received fourteen (14) business days before the Settlement Hearing by:
28 Frank A. Bottini, Jr., Chapin Fitzgerald Sullivan & Bottini, LLP, 550 West C Street, Suite 2000, San

1 Diego, CA 92101; Stephen D. Alexander, Bingham McCutchen LLP, 355 South Grand Avenue,
2 Suite 4400, Los Angeles, CA 90071; John L. Hardiman, Sullivan & Cromwell LLP, 125 Broad
3 Street, New York, NY 10004; and filed said objections, papers and briefs with the Clerk of the Court
4 of the Superior Court of California for Santa Barbara County, Department 5, 1100 Anacapa Street,
5 Santa Barbara, California, fourteen (14) business days before the Settlement Hearing. Any Class
6 Member who does not make his, her or its objection in the manner provided shall be deemed to have
7 waived such objection and shall forever be foreclosed from making any objection to the fairness or
8 adequacy of the proposed Settlement as incorporated in the Stipulation unless otherwise ordered by
9 the Court.

10 11. All memoranda or briefs responding to any objections to the proposed Settlement,
11 application for attorneys' fees and expenses, and any application for the incentive award shall be
12 filed no later than ten (10) calendar days prior to the Settlement Hearing

13 12. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations
14 or proceedings connected with it, shall be construed as an admission or concession by Defendants of
15 the truth of any of the allegations in the Actions, or of any liability, fault, or wrongdoing of any kind.

16 IT IS SO ORDERED.

17 Dated:

The Honorable Colleen K. Sterne
Judge of the Superior Court

EXHIBIT C

1 CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP
Francis A. Bottini, Jr. (SBN 175783)
2 fbottini@cfsblaw.com
Keith M. Cochran (SBN 254346)
3 kcochran@cfsblaw.com
550 West C Street, Suite 2000
4 San Diego, CA 92101
Telephone: (619) 241-4810
5 Facsimile: (619) 955-5318

6 *Lead Counsel for Plaintiffs*

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF SANTA BARBARA

9 MARIANNE MONTY, on behalf of herself
and all other similarly situated,

10 Plaintiff

11 v.

12 GERALD J. FORD, et al.,

13 Defendants.

) Lead Case No. 1385564 (Consolidated with
) Nos. 1385645, 1385673, 1385731, 1385814)

) CLASS ACTION

) **NOTICE OF PENDENCY AND
) SETTLEMENT OF CLASS ACTION**

) DATE ACTION FILED: 03/13/12

) Judge: Honorable Colleen K. Sterne
) Department: SB5

1 TO: ALL PERSONS AND ENTITIES WHO HELD SHARES OF COMMON STOCK OF
2 PACIFIC CAPITAL BANCORP ("PCB" OR THE "COMPANY"), EITHER OF RECORD OR
3 BENEFICIALLY, AT ANY POINT BETWEEN AND INCLUDING MARCH 9, 2012, THE
4 DATE OF CLOSING OF THE TRANSACTION (AS DEFINED HEREIN), AND THEIR
5 RESPECTIVE SUCCESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES,
6 TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS OR TRANSFEREES,
7 IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON
8 BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, BUT
9 EXCLUDING DEFENDANTS (AS DEFINED HEREIN), MEMBERS OF THE IMMEDIATE
10 FAMILY OF ANY OF THE INDIVIDUAL DEFENDANTS, ANY ENTITY IN WHICH ANY
11 OF THE DEFENDANTS HAS OR HAD A CONTROLLING INTEREST, OFFICERS OF
12 PCB, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS OR ASSIGNS OF
13 ANY SUCH EXCLUDED PERSON.

8 PLEASE READ ALL OF THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE
9 AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. THIS NOTICE
10 RELATES TO A PROPOSED SETTLEMENT OF THE LITIGATION REFERRED TO IN
11 THE CAPTION ABOVE AND CONTAINS IMPORTANT INFORMATION REGARDING
12 YOUR RIGHTS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT
DESCRIBED BELOW, YOU WILL BE FOREVER BARRED FROM CONTESTING THE
FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE RELEASED
CLAIMS (AS DEFINED HEREIN) AGAINST THE RELEASED PERSONS (AS DEFINED
HEREIN).

13 This notice (the "Notice") provides you with important information in connection with the
14 settlement (the "Settlement") of the above-captioned action (the "California Action") pending in the
15 Superior Court of California, Santa Barbara County ("Superior Court") and the action styled *In re*
16 *Pacific Capital Bancorp Shareholders Litigation*, Consolidated C.A. No. 7341-VCN (the "Delaware
17 Action" and together with the California Action, the "Actions") pending in the Court of Chancery of the
18 State of Delaware ("Court of Chancery") concerning the acquisition of PCB by UnionBanCal
19 Corporation ("UNBC"). Your legal rights may be affected by this Notice and the proceedings in the
20 Actions, whether you act or do not act. You should read this Notice carefully.

21 This Notice is not an expression of any opinion by the courts about the merits of any of the
22 claims or defenses asserted by any party in the Actions or the fairness or adequacy of the proposed
23 Settlement.

24 I. THE LITIGATION

25 On March 12, 2012, PCB announced that it and UNBC had entered into a definitive merger
26 agreement (the "Merger Agreement") under which all of the outstanding shares of PCB would be
27 acquired by UNBC, through its wholly owned subsidiary, Pebble Merger Sub Inc. ("Merger Sub"), for
28

1 \$46 per share in cash, with the merger transaction valued at approximately \$1.5 billion (the “Merger” or
2 “Transaction”).

3 On March 13, 2012, plaintiff Marianne Monty (“Monty”) filed a complaint in the Superior
4 Court, captioned *Monty v. Ford, et al.*, Case No. 1385564, alleging, among other things, that the
5 directors of PCB breached their fiduciary duties in connection with the Merger. Defendant UNBC was
6 sued for aiding and abetting breaches of fiduciary duties. Defendant SB Acquisition Company LLC
7 (“SB Acquisition”) was later added as a defendant and sued for both breach of fiduciary duty and aiding
8 and abetting breaches of fiduciary duties in the Consolidated Amended Class Action Complaint (the
9 “Amended Complaint”), filed on April 18, 2012.

10 Additional complaints were subsequently filed in the Superior Court with the captions: *Trammel*
11 *v. Pacific Capital Bancorp et al.*, Case No. 1385645 (filed on March 15, 2012), *Ray v. Pacific Capital*
12 *Bancorp et al.*, Case No. 1385673 (filed on March 16, 2012), *Clem v. Pacific Capital Bancorp et al.*,
13 Case No. 1385731 (filed on March 21, 2012), and *Novotny v. Pacific Capital Bancorp et al.*, Case No.
14 1385814 (filed on March 27, 2012), asserting claims similar to those asserted in the Monty Action and
15 seeking similar relief against the same defendants.

16 On March 20, 2012, plaintiff Ernesto Rodriguez (“Rodriguez”) filed a complaint in the Court of
17 Chancery, captioned *Rodriguez v. Ford*, C.A. No. 7341-VCN, alleging, among other things, that the
18 Individual Defendants [defined?] breached their fiduciary duties in connection with the Merger (the
19 “Rodriguez Action”).

20 On March 20, 2012, plaintiff Richard Sewall (“Sewall,” collectively with Rodriguez, the
21 “Delaware Plaintiffs”) filed a complaint in the Court of Chancery, captioned *Sewall v. Pacific Capital*
22 *Bancorp*, C.A. No. 7342-VCN, alleging, among other things, that the Individual Defendants breached
23 their fiduciary duties in connection with the Merger (the “Sewall Action”).

24 On March 27, 2012, Plaintiff Monty served a First Request for Production of Documents on
25 PCB.

26 On April 5, 2012, the Court of Chancery entered an Order of Consolidation and Appointment of
27 Co-Lead Counsel (the “Consolidation Order”), consolidating the Rodriguez and Sewall Actions under
28

1 the caption *In re Pacific Capital Bancorp Shareholder Litigation*, Consolidated C.A. No. 7341-VCN
2 and appointing Rigrodsky & Long, P.A. and Levi & Korsinsky, LLP as Co-Lead Counsel for Plaintiffs.

3 On April 6, 2012, PCB filed a Schedule 14C Preliminary Information Statement (“Information
4 Statement”) with the United States Securities and Exchange Commission (“SEC”) containing, among
5 other things, information regarding the Merger and informing stockholders that although PCB is not
6 soliciting proxies, stockholders are entitled to seek appraisal for their shares.

7 By Order dated April 13, 2012, the Superior Court entered an Order granting Plaintiff Monty’s
8 Motion for Appointment as Lead Plaintiff, and also granting her motion for appointment of Chapin
9 Fitzgerald Sullivan & Bottini, LLP as Lead Counsel for Plaintiffs (the “California Plaintiffs,” and with
10 the Delaware Plaintiffs, “Plaintiffs”).

11 On April 13, 2012, the Delaware Plaintiffs filed a Verified Consolidated Amended Class Action
12 Complaint (“Delaware Amended Complaint”) in the Court of Chancery, as well as a Motion for
13 Expedited Proceedings and a Motion for a Preliminary Injunction. The Delaware Amended Complaint
14 contends that the Individual Defendants breached their fiduciary duties by allegedly failing to (i)
15 adequately consider the Merger, including whether the Merger maximizes shareholder value; (ii) protect
16 against conflicts of interest resulting from the directors’ own interrelationships or connection with the
17 Merger; (iii) negotiate a fiduciary out to the Merger Agreement; and (iv) provide stockholders with
18 material information necessary to make an informed decision regarding appraisal. The Delaware
19 Amended Complaint also alleges that PCB and UNBC aided and abetted the alleged breaches of
20 fiduciary duties by the directors of PCB.

21 On April 13, 2012, the Delaware Plaintiffs served their First Request for the Production of
22 Documents and Things to All Defendants, as well as a *Subpoena Duces Tecum* and *Ad Testificandum*
23 directed to Sandler O’Neill + Partners, L.P. (“Sandler O’Neill”), PCB’s financial advisor in connection
24 with the Merger.

25 On April 18, 2012, the California Plaintiffs filed the Amended Complaint in the Superior Court.
26 The Amended Complaint added SB Acquisition, the majority shareholder of PCB, as a Defendant, and
27 asserted that the Individual Defendants breached their fiduciary duties by allegedly (i) abdicating their
28 fiduciary duties by allowing Gerald J. Ford (“Ford”) and Carl B. Webb (“Webb”) to negotiate the

1 Merger without their knowledge, participation or oversight, and by thereafter failing to fully inform
2 themselves before voting to approve the Merger, including the defensive mechanisms contained in the
3 Merger Agreement; (ii) failing to protect against conflicts of interest resulting from the interests of
4 Ford, Webb, and Ford Financial Fund L.P. ("Ford Financial") in the Transaction; (iii) failing to
5 negotiate an effective fiduciary out to the Merger Agreement; and (iv) failing to provide stockholders
6 with material information necessary to make an informed decision regarding appraisal. The Amended
7 Complaint also alleges that PCB, UNBC, and SB Acquisition aided and abetted the other defendants'
8 breaches of fiduciary duty.

9 On April 23, 2012, PCB and the Individual Defendants filed an Answer to the Delaware
10 Amended Complaint.

11 On April 24, 2012, UNBC and Merger Sub filed an Answer to the Delaware Amended
12 Complaint.

13 On April 24, 2012, PCB and the Individual Defendants served their First Request for the
14 Production of Documents Directed to Plaintiffs in the Delaware Action.

15 The parties to the Delaware Action subsequently came to an agreement regarding expedited
16 proceedings and the presentation of Delaware Plaintiffs' Motion for a Preliminary Injunction.

17 On April 25, 2012, the Superior Court conducted a hearing on Defendants' Motion for a Stay
18 Based on *Forum Non Conveniens*, after which the Superior Court denied Defendants' Motion.
19 Defendants subsequently sought a writ with the Court of Appeals seeking permission to appeal the
20 denial of the motion to stay, and a stay pending resolution of the writ petition. By order dated May 3,
21 2012, the Court of Appeals denied the Petition for a Writ.

22 On April 25, 2012, the Superior Court entered an Order Granting Plaintiff's *Ex Parte*
23 Application for Order Expediting Limited Discovery, and Shortening the Time for Hearing on
24 Plaintiff's Motion for Preliminary Injunction in the California Action. Further, the Order set a date for
25 a hearing on the California Plaintiffs' Motion for Preliminary Injunction for May 29, 2012, at 9:30 A.M.

26 On May 2, 2012, the Court of Chancery entered a Stipulation and Order Regarding Scheduling,
27 which set a schedule for, among other things, the production of documents, the taking of depositions,
28 and filing of briefs with respect to the Delaware Plaintiffs' Motion for Class Certification and Motion

1 for a Preliminary Injunction. Further, the Order set a date for a hearing on the Delaware Plaintiffs'
2 Motion for a Preliminary Injunction for June 7, 2012, at 2:00 P.M.

3 On May 2, 2012, PCB and the Individual Defendants filed their Response to Plaintiffs' First
4 Request for the Production of Documents and Things to All Defendants in the Delaware Action.

5 On May 4, 2012, the Delaware Plaintiffs filed their Motion for Class Certification.

6 On May 8, 2012, David Mills ("Mills") filed a complaint in the Court of Chancery, captioned
7 *Mills v. Pacific Capital Bancorp*, C.A. No. 7501-VCN (the "Mills Action"), alleging, among other
8 things, that the Individual Defendants breached their fiduciary duties in connection with the Merger;

9 From May 8 to May 10, 2012, Plaintiffs' counsel took the depositions of George S. Leis
10 ("Leis"), PCB's Chief Operating Officer and a director; Webb, PCB's Chief Executive Officer and a
11 director; Murray G. Bodine ("Bodine"), a representative of Sandler O'Neill; and Ford, Chairman of the
12 Board and manager of the controlling stockholder of PCB.

13 On May 10, 2012, counsel to Mills advised by letter that they were willing to consolidate with
14 the Delaware Action.

15 On May 15, 2012, Plaintiffs' counsel took the deposition of Todd Baker ("Baker"), the
16 Executive Vice President of Corporate Strategy and Development of UNBC.

17 On May 15, 2012, the Court of Chancery granted the Delaware Plaintiffs' Order Regarding
18 Class Certification, which designated Plaintiffs Rodriguez and Sewall as Lead Plaintiffs and the law
19 firms of Rigrodsky & Long, P.A. and Levi & Korsinsky, LLP as Class Counsel.

20 On May 25, 2012, the Delaware Plaintiffs filed their Brief in Support of Their Motion for a
21 Preliminary Injunction and supporting documents.

22 Counsel for the parties to the Actions engaged in arms'-length negotiations concerning a
23 possible settlement of the Actions.

24 On May 29, 2012, the parties to the Actions reached an agreement in principle to settle the
25 Actions on the basis that PCB would make certain supplemental disclosures ("Supplemental
26 Disclosures") in a Definitive Information Statement to be filed with the SEC.

27 On May 29, 2012, the parties executed the MOU setting forth the principal terms of the
28 proposed Settlement.

1 On May 30, 2012, PCB filed a Definitive Information Statement on Schedule 14C containing
2 the Supplemental Disclosures.

3 On _____, 2012, the parties signed a Stipulation and Agreement of Compromise and
4 Settlement (the "Stipulation").

5 The Settlement set forth in the Stipulation reflects the result of the parties' negotiations. An
6 agreement in principle was only reached after arms'-length negotiations between the parties who were
7 all represented by counsel with extensive experience and expertise in shareholder class action litigation.
8 During these negotiations, all parties had a clear view of the strengths and weaknesses of their
9 respective claims and defenses. Plaintiffs and their counsel have concluded that additional disclosures
10 provided PCB shareholders with sufficient information regarding whether to seek appraisal. As a result,
11 Plaintiffs and their counsel believe that the Settlement is in the best interest of the Class.

12 **II. THE SETTLEMENT CONSIDERATION**

13 In consideration for the full and final settlement and dismissal with prejudice of the Actions and
14 the release of any and all Released Claims (defined herein) (as provided for in the Stipulation),
15 defendants agreed to make the Supplemental Disclosures concerning the Merger in the Definitive
16 Information Statement, as recommended by the Delaware Plaintiffs in connection with their prosecution
17 of the Delaware Action (set forth in Exhibit A to the Stipulation and contained in the Definitive
18 Schedule 14C filed with the SEC and sent to PCB shareholders on May 30, 2012). These Supplemental
19 Disclosures also addressed many of the disclosure claims in the Consolidated Amended Class Action
20 Complaint in the California Action. Other than any attorneys' fees and expenses that may be awarded
21 by the Superior Court, defendants shall have no other obligations, liabilities or responsibilities in
22 connection with the proposed Settlement except as specifically set forth in the Stipulation.

23 **III. REASONS FOR THE SETTLEMENT**

24 Plaintiffs and Plaintiffs' counsel have reviewed and analyzed the facts and circumstances
25 relating to the claims asserted in the Actions. Plaintiffs' counsel have reviewed thousands of pages of
26 documents produced by defendants and have taken five depositions. Plaintiffs' counsel have analyzed
27 the evidence adduced during their investigation and pre-trial discovery and have researched the
28 applicable law with respect to the claims of Plaintiffs and the Class against defendants and the potential

1 defenses thereto.

2 Based on this investigation and pre-trial discovery, Plaintiffs have decided to enter into the
3 Stipulation and settle the Actions, after taking into account, among other things: (1) the substantial
4 benefits to the Class members from the litigation of the Actions and the proposed Settlement; (2) the
5 risks of continued litigation in the Actions; and (3) the conclusion reached by Plaintiffs and Plaintiffs’
6 counsel that the proposed Settlement upon the terms and provisions set forth in the Stipulation is fair,
7 reasonable, adequate, and in the best interests of the Class and will result in a material benefit to them.

8 All defendants have vigorously denied, and continue to vigorously deny, each and all of the
9 claims alleged by Plaintiffs, including any and all allegations that defendants breached a fiduciary duty,
10 failed to adequately disclose the facts and circumstances surrounding the Transaction or otherwise
11 engaged in any wrongdoing of any kind. Defendants further deny that they have any liability or owe
12 any damages of any kind to Plaintiffs and/or the Class, and that any additional disclosures were required
13 under any applicable rule, regulation, statute, or law. Nonetheless, defendants have concluded that
14 further conduct of the Actions would be protracted and expensive, and that it is desirable that the
15 Actions be fully and finally settled in the manner described in the Stipulation to limit the further
16 expense and distraction associated with continued litigation.

17 **IV. APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES**

18 Plaintiffs and Plaintiffs’ counsel intend to petition the Court for an award of fees and expenses
19 in an amount of \$1,000,000 in connection with the Settlement of the Actions (the “Fee Application”).
20 Defendants have agreed not to oppose the Fee Application, and to pay any fees awarded by the Court up
21 to the amount of \$1,000,000.

22 The Fee Application shall be Plaintiffs’ and/or Plaintiffs’ counsel’s sole application for an award
23 of fees, costs, or any expenses or reimbursement in connection with any stockholder litigation brought
24 by or on behalf of any member of the Class arising from the Transaction.

25 If the Superior Court grants the Fee Application, fees and expenses awarded shall be paid to
26 Plaintiffs’ counsel within ten (10) calendar days of the earlier of entry of Judgment or an order
27 awarding the fees, notwithstanding the existence of any timely-filed objections thereto, potential for
28 appeal therefrom, or any collateral attack on the proposed Settlement or any part thereof. In the event

1 that the Superior Court's approval of the proposed Settlement is reversed, modified, vacated, or the
2 award of attorneys' fees to Plaintiffs' counsel is vacated or reduced on appeal, each of Plaintiffs'
3 counsel shall have the joint and several obligation to make any refunds or repayments of the
4 corresponding amount, plus interest, to PCB, its insurers, or any successor(s) in interest.

5 Except for the attorneys' fees and expenses referred to above and the costs of providing and
6 administering this Notice, defendants shall not be required to bear any other expenses, costs, damages,
7 or fees alleged or incurred by Plaintiffs, by any Class member, or by any of their attorneys, experts,
8 advisors, agents, or representatives. Defendants shall have no responsibility for, and no liability with
9 respect to, the allocation of fees or expenses among counsel for Plaintiffs and/or any other person who
10 may assert a claim to the fee award.

11 **V. SETTLEMENT HEARING**

12 The Superior Court has scheduled a Settlement Hearing, which will be held in Department 5 of
13 the Superior Court, 1100 Anacapa Street, Santa Barbara, California 93121, on _____, 2012,
14 at __:__.m. (the "Settlement Hearing Date") to: (a) determine whether the proposed Settlement, on the
15 terms and conditions provided for in the Stipulation, is fair, reasonable, adequate, and in the best
16 interests of Plaintiffs and the Class and should be approved by the Court; (b) determine whether to
17 certify the Class pursuant to Section 382 of the California Code of Civil Procedure; (c) determine
18 whether Plaintiffs and Plaintiffs' counsel have adequately represented the Class; (d) determine whether
19 the Court should enter a Final Order and Judgment as provided in the Stipulation, dismissing with
20 prejudice the claims asserted in the Actions and releasing the Released Claims against the Released
21 Persons; (e) consider the application by Plaintiffs' counsel for an award of attorneys' fees and
22 reimbursement of litigation expenses; (f) hear and determine any objections to the proposed Settlement
23 or the application of Plaintiffs' counsel for an award of attorneys' fees and expenses; and (g) rule on
24 such other matters as the Court may deem appropriate.

25 The Superior Court has reserved the right to adjourn the Settlement Hearing or any adjournment
26 thereof, including the hearing on the Fee Application, without further notice of any kind to the Class
27 members other than by oral announcement at the Settlement Hearing or any adjournment thereof. The
28 Superior Court has also reserved the right to approve the proposed Settlement at or after the Settlement

1 Hearing with such modification(s) as may be consented to by the parties to the Stipulation and without
2 further notice to the Class.

3 **VI. ORDER CERTIFYING A SETTLEMENT CLASS FOR PURPOSES OF SETTLEMENT**

4 On _____, 2012, the Superior Court certified the Settlement Class for purposes of the
5 Settlement pursuant to Section 382 of the California Code of Civil Procedure.

6 **VII. RELEASE OF CLAIMS**

7 The Stipulation provides, among other things, that if the proposed Settlement is approved, as of
8 the Effective Date of the Stipulation, the Released Claims (defined below) shall be dismissed with
9 prejudice on the merits and without costs.

10 The Stipulation also provides that, if the proposed Settlement is approved, as of the Effective
11 Date of the Stipulation, Plaintiffs and all Class Members, and their respective heirs, executors,
12 administrators, estates, predecessors in interest, predecessors, successor(s) in interest, successor(s),
13 representatives, trustees, assigns, and transferees, and all persons and entities acting for or on behalf of,
14 or claiming under, all of them, shall completely, fully, finally, and forever release, relinquish, and
15 discharge, and by operation of the Judgment shall release and forever discharge, all Released Claims as
16 against all Released Persons (defined below).

17 The Stipulation also provides that, if the proposed Settlement is approved, as of the Effective
18 Date, the Released Persons shall be deemed to be fully and finally released and forever discharged from
19 all of the Released Claims.

20 The Stipulation also provides that, if the proposed Settlement is approved, as of the Effective
21 Date, Plaintiffs and their respective heirs, executors, administrators, estates, predecessors in interest,
22 predecessors, successor(s) in interest, successor(s), representatives, trustees, assigns, and transferees,
23 and all persons and entities acting for or on behalf of, or claiming under, all of them, shall be forever
24 barred and enjoined from commencing, instituting or prosecuting or participating in the prosecution of
25 any Released Claims against any of the Released Persons, including without limitation, any claims
26 asserted in the Actions.

27 The Stipulation also provides that, if the proposed Settlement is approved, as of the Effective
28 Date, defendants and the Released Persons release Plaintiffs, the Class Members, and all Plaintiffs'

1 counsel from all claims arising out of or relating in any way to the institution, prosecution, settlement,
2 and/or resolution of the Actions, except that defendants and the Released Persons shall retain the right
3 to enforce in the Superior Court or Court of Chancery the terms of the Stipulation or the Settlement, and
4 to oppose or defend any appraisal rights of any Class Member.

5 As provided in the Stipulation, “Released Claims” means all claims, demands, actions or causes
6 of action, rights, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, matters
7 and issues of any kind or nature whatsoever, whether known or unknown, including the “Unknown
8 Claims” (defined below), contingent or absolute, suspected or unsuspected, disclosed or undisclosed,
9 matured or unmatured, accrued or unaccrued, that have been, could have been, or in the future can or
10 might be asserted in the Actions or in any court, tribunal or proceeding (including, but not limited to,
11 any claims arising under federal, state or foreign statutory or common law relating to alleged fraud,
12 breach of any duty, negligence, violations of the federal securities laws or state disclosure laws or
13 otherwise) by or on behalf of the plaintiffs or any member of the Class (whether individual, class,
14 derivative, representative, legal, equitable or any other type or in any other capacity), against the
15 defendants in the Actions and/or their respective families, parent entities, controlling persons,
16 associates, affiliates, predecessors, successors, or subsidiaries, and each and all of their respective past,
17 present or future officers, directors, stockholders, agents, representatives, employees, attorneys,
18 financial or investment advisors, advisors, consultants, accountants, investment bankers (including any
19 entity providing a fairness opinion regarding the Merger), commercial bankers, trustees, engineers,
20 agents, reinsurers, heirs, executors, trustees, general or limited partners or partnerships, limited liability
21 companies, members, heirs, executors, personal or legal representatives, estates, administrators,
22 predecessors, successors and assigns (collectively, the “Released Persons”), whether or not any such
23 Released Persons were named, served with process or appeared in the Actions, which have arisen, could
24 have arisen, arise now or hereafter arise out of, or relate in any manner to the allegations, facts, events,
25 acquisitions, matters, acts, occurrences, statements, representations, misrepresentations, omissions, or
26 any other matter, thing or cause whatsoever, or any series thereof, embraced, involved or set forth in, or
27 referred to or otherwise related, directly or indirectly, in any way to (or other transactions contemplated
28 therein): (i) the Merger; (ii) the Preliminary Information Statement and the Definitive Information

1 Statement; (iii) the fiduciary obligations of any of the defendants or Released Persons in connection
2 with the Merger, the Preliminary Information Statement, or the Definitive Information Statement; (iv)
3 the negotiations in connection with the Merger; (v) the disclosures or disclosure obligations of any of
4 the defendants or other Released Persons in connection with the Merger, the Preliminary Information
5 Statement, or the Definitive Information Statement; or (vi) any and all conduct by any of the defendants
6 or any of the other Released Persons arising out of or relating in any way to the negotiation or execution
7 of this MOU and any subsequent Stipulation of Settlement (collectively, the “Released Claims”);
8 ***provided, however,*** that the Released Claims shall not include (i) any statutory appraisal rights pursuant
9 to Section 262 of the Delaware General Corporation Law of any PCB stockholder or (ii) the right of any
10 person to enforce the terms of the Settlement.

11 As provided in the Stipulation, “Unknown Claims” means any claim that Plaintiffs or any
12 member of the Class do not know or suspect exists in his, her or its favor at the time of the release of the
13 Released Claims as against the Released Persons, including without limitation those which, if known,
14 might have affected the decision to enter into the Settlement or whether or how to object to the
15 Settlement. With respect to any of the Released Claims, the parties stipulate and agree that upon Final
16 Approval of the Settlement, Plaintiffs shall expressly, and each Class Member shall be deemed to have,
17 and by operation of the Judgment by the Superior Court shall have, expressly waived, relinquished and
18 released any and all provisions, rights and benefits conferred by or under Cal. Civ. Code § 1542 or any
19 law of the United States or any state of the United States or territory of the United States, or principle of
20 common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

21 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
22 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR
23 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR
24 HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH
25 THE DEBTOR.

24 Plaintiffs acknowledge, and the Class Members by operation of law shall be deemed to have
25 acknowledged, that they may discover facts in addition to or different from those now known or
26 believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by
27 operation of law the Class Members, to completely, fully, finally and forever extinguish any and all
28 Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed,

1 or may hereafter exist, and without regard to the subsequent discovery of additional or different facts.
2 Plaintiffs acknowledge, and the Class Members by operation of law shall be deemed to have
3 acknowledged, that the inclusion of “Unknown Claims” in the definition of “Released Claims” was
4 separately bargained for and was a material element of the Settlement and was relied upon by each and
5 all of the defendants in entering into the Stipulation.

6 **VI. CONDITIONS FOR SETTLEMENT**

7 The Settlement is conditioned upon the occurrence of certain events. Those events include,
8 among other things: (a) entry of the Judgment by the Superior Court, as provided for in the Stipulation;
9 (b) expiration of the time to appeal from or alter or amend the Judgment; and (c) dismissal of the
10 Delaware Action with prejudice. If, for any reason, any one of the conditions described in the
11 Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void,
12 and the parties to the Stipulation will be restored to their respective positions prior to the Settlement.

13 **VII. RIGHT TO APPEAR AND OBJECT**

14 Any member of the Class who objects to the proposed Settlement and/or the Judgment to be
15 entered by the Superior Court, and/or the Fee Application, or otherwise wishes to be heard, may appear
16 personally or by counsel at the Settlement Hearing and present any evidence or argument that may be
17 proper and relevant; provided, however, that no member of the Class may be heard and no papers or
18 briefs submitted by or on behalf of any member of the Class shall be received and considered, except by
19 Order of the Superior Court for good cause shown, unless, no later than fourteen (14) business days
20 prior to the Settlement Hearing, copies of: (a) a written notice of intention to appear, identifying the
21 name, address, and telephone number of the objector and, if represented, their counsel; (b) a written
22 detailed statement of such person’s specific objections to any matter before the Court; (c) proof of
23 membership in the Class, including a listing of all transactions in PCB common stock during the Class
24 period; (d) the grounds for such objections and any reasons for such Class member’s desiring to appear
25 and be heard; and (e) all documents and writings such Class member desires the Superior Court to
26 consider, are served by hand or first-class mail upon each of the following counsel:

27 CHAPIN FITZGERALD SULLIVAN & BOTTINI, LLP
28 Frank A. Bottini, Jr.
550 West C Street, Suite 2000

1 San Diego, California 92101

2 *Lead Counsel for Plaintiffs in the California Action*

3 *Class Counsel for Plaintiffs in the Delaware Action*

4 BINGHAM MCCUTCHEN LLP
5 Stephen D. Alexander
6 355 South Grand Avenue, Suite 4400
7 Los Angeles, California 90071

8 *Attorneys for PCB and the Individual Defendants*

9 SULLIVAN & CROMWELL LLP
10 John L. Hardiman
11 125 Broad Street
12 New York, New York 10004

13 *Attorneys for UNBC and Merger Sub*

14 Such papers must also be filed by fourteen (14) business days prior to the Settlement Hearing
15 with the Clerk of the Court of the Superior Court of California for Santa Barbara County.

16 Any Class member who does not object to the proposed Settlement or the request by Plaintiffs'
17 counsel for an award of attorneys' fees and expenses need not take any action with respect to this
18 Notice or this proposed Settlement.

19 Unless the Superior Court otherwise directs, no member of the Class will be entitled to object to
20 the approval of the proposed Settlement, to the Judgment to be entered in the Actions, or the Fee
21 Application, nor will he, she or it otherwise be entitled to be heard with respect to any aspect of the
22 proposed Settlement, except by serving and filing a written objection as described above.

23 Any member of the Class who does not make his, her or its objection in the manner described
24 above shall be deemed to have waived his, her or its right to object to the proposed Settlement, the entry
25 of the Judgment, and/or the Fee Application, and shall forever be barred and foreclosed from objecting
26 to the fairness, reasonableness or adequacy of the proposed Settlement (including the releases and
27 liability protections for the Released Persons contained therein), the entry of the Judgment, and/or the
28 Fee Application, or from otherwise being heard with respect to any aspect of the proposed Settlement,
the Actions or any other action or proceeding.

VIII. INTERIM INJUNCTION AND STAY OF THE ACTIONS

1 Pending final determination by the Superior Court of whether the proposed Settlement should be
2 approved: (a) all proceedings in the Actions (other than those necessary to effectuate the proposed
3 Settlement) are stayed; and (b) Plaintiffs and all Class members, or any of them, are barred and enjoined
4 from commencing, prosecuting, maintaining, instigating, seeking relief in (including without limitation
5 by application or motion for a preliminary injunction or equitable relief) or in any other way
6 participating in any action, including the Delaware Action, forum or other proceeding, asserting any
7 claim concerning, based upon, arising out of, or related (directly or indirectly) to any Released Claim
8 (including those claims which may arise under federal law) against any of the Released Persons.

9 **IX. ORDER AND JUDGMENT OF THE SUPERIOR COURT**

10 If the Superior Court determines that the proposed Settlement, as provided for in the Stipulation,
11 is fair, reasonable, adequate and in the best interests of the Class, the parties will ask the Superior Court
12 to enter a Final Order and Judgment, which will, among other things:

13 a. Determine that the form and manner of Notice is the best notice practicable under
14 the circumstances and fully complies with each of the requirements of the California Rules of Court,
15 Rule 3.766, due process, and all other applicable law and rules;

16 b. Determine that all Class members are bound by the Final Order and Judgment;

17 c. Determine that the proposed Settlement is fair, reasonable, adequate, and in the
18 best interests of Plaintiffs and the Class;

19 d. Approve and effectuate the releases provided for in the Stipulation;

20 e. Bar and enjoin Plaintiffs and the Class from instituting, commencing, or
21 prosecuting any and all Released Claims against all Released Persons; and

22 f. Award Plaintiffs' counsel fair and reasonable attorneys' fees and expenses.

23 **X. SCOPE OF THE NOTICE**

24 This Notice is not all-inclusive. The references in this Notice are to the pleadings in the
25 Actions, the Stipulation, and other papers and proceedings are only summaries and do not purport to be
26 comprehensive. For the full details of the Actions, claims that have been asserted by the parties and the
27 terms and conditions of the proposed Settlement, including a complete copy of the Stipulation, Class
28 members are referred to the Court's files in the Actions. You or your attorney may examine the Court's

1 files from the Actions during regular business hours of each business day at: (a) the office of the
2 Register in Chancery, in the New Castle County Courthouse, 500 North King Street, Wilmington,
3 Delaware 19801; and/or (b) the Clerk of the Court of the Superior Court of California for Santa Clara
4 County.

5 Questions or comments regarding the proposed Settlement may be directed to Plaintiffs'
6 counsel:

7 CHAPIN FITZGERALD SULLIVAN & BOTTINI, LLP
8 Frank A. Bottini, Jr.
9 550 West C Street, Suite 2000
10 San Diego, California 92101
11 (619) 241-4810 (telephone)
12 fbottini@cfsblaw.com

13 *Lead Counsel for Plaintiffs in the California Action*

14 ***DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE***

15 DATED: _____

16 BY ORDER OF THE SUPERIOR COURT OF CALIFORNIA, SANTA BARBARA COUNTY

17 _____

EXHIBIT D

1 CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP
Francis A. Bottini, Jr. (SBN 175783)
2 fbottini@cfsblaw.com
Keith M. Cochran (SBN 254346)
3 kcochran@cfsblaw.com
550 West C Street, Suite 2000
4 San Diego, CA 92101
Telephone: (619) 241-4810
5 Facsimile: (619) 955-5318

6 *Lead Counsel for Plaintiffs*

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF SANTA BARBARA

9	MARIANNE MONTY, on behalf of herself	)	Lead Case No. 1385564 (Consolidated with
	and all other similarly situated,	)	Nos. 1385645, 1385673, 1385731, 1385814)
10)	
	Plaintiff	)	<u>CLASS ACTION</u>
11)	
	v.	)	(PROPOSED) ORDER AND FINAL
12		)	JUDGMENT
	GERALD J. FORD, et al.,)	
13		)	DATE ACTION FILED: 03/13/12
	Defendants.)	
14		)	Judge: Honorable Colleen K. Sterne
		)	Department: SB5
15)	

1 This matter came before this Court (the “Superior Court”) for hearing pursuant to the
2 Order of the Superior Court, dated _____, 2012, on the application of the Parties for
3 approval of the Settlement set forth in the Stipulation and Agreement of Compromise and
4 Settlement dated _____, 2012 (the “Stipulation”).¹ Due and adequate notice having been
5 given to the Class as required in said Order, and the Superior Court having considered all papers
6 filed and proceedings had herein and otherwise being fully informed in the premises and good
7 cause appearing therefore, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that:

8 1. The Superior Court has jurisdiction over the subject matter of the California
9 Action and over all parties to the California Action, including all Class Members.

10 2. Pursuant to California Code of Civil Procedure section 382 and California Rules
11 of Court, Rule 3.760, *et seq.*, the Superior Court hereby certifies, for purposes of effectuating
12 this Settlement only, a Class of all Persons or entities who were record or beneficial owners of
13 Pacific Capital Bancorp (“PCB”) common stock at any time from March 9, 2012, through and
14 including _____, the close of the Merger, including their respective successors-in-
15 interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or
16 transferees, immediate and remote and any person or entity acting for or on behalf of, or
17 claiming under any of them, and each of them. Excluded from the Class are Defendants,
18 members of the immediate family of any individual defendant, any entity in which a defendant has
19 or had a controlling interest, officers or directors of PCB or UNBC, and the legal representatives,
20 heirs, successors or assigns of any such excluded person.

21 3. With respect to the Class, this Court finds and concludes that: (a) the Class
22 Members are so numerous that joinder of all Class Members is impracticable since, as explained
23 below, the Class Members are so numerous; (b) there are questions of law and fact common to
24 the Class, which predominate over any individual questions; (c) the claims of the California
25 Plaintiffs are typical of the claims of the Class; (d) the California Plaintiffs’ and their counsel
26 _____

27 ¹ The capitalized terms and words used herein shall have the same meaning as they have in the
28 Stipulation (certain of which are repeated herein for ease of reference only).

1 have fairly and adequately represented and protected the interests of all of the Class Members;
2 and (e) a class action is superior to other methods for the fair and efficient adjudication of this
3 matter.

4 4. The Notice of Pendency and Settlement of Class Action (“Notice”) given to the
5 Class was the best notice practicable under the circumstances of these proceedings and of the
6 matters set forth therein, including the proposed Settlement set forth in the Stipulation, and said
7 Notice fully satisfied the requirements of California Rules of Court, Rule 3.766 and the
8 requirements of due process.

9 5. This Court hereby approves the Settlement set forth in the Stipulation and finds
10 that said Settlement is, in all respects, fair, reasonable and adequate to each of the settling
11 Parties, and the settling Parties are hereby directed to perform its terms.

12 6. Upon the Effective Date hereof, Plaintiffs and each of the Class Members shall be
13 deemed to have, and by operation of this Judgment shall have, fully, finally, and forever
14 released, relinquished and discharged all Settled Claims, including Unknown Claims, against the
15 Released Persons. All Class Members are hereby forever barred and enjoined from prosecuting
16 the Settled Claims (including Unknown Claims) against the Released Persons. Upon the
17 Effective Date hereof, each of the Released Persons shall be deemed to have, and by operation of
18 this Judgment shall have, fully, finally, and forever released, relinquished and discharged each
19 and all of the Class Members and counsel to the Plaintiffs from all claims, including Unknown
20 Claims, based upon or arising out of the institution, prosecution, assertion, settlement or
21 resolution of the California Action or the Released Claims. Notwithstanding the foregoing,
22 nothing herein shall be interpreted to affect or release any statutory appraisal rights that may
23 pertain to any PCB shareholder under applicable law.

24 7. Neither the Stipulation nor the Settlement contained therein, nor any act performed
25 or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or
26 may be deemed to be or may be used as an admission of, or evidence of, the validity or lack
27 thereof of any Released Claim, or of any wrongdoing or liability of Defendants; or (ii) is or may
28 be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any

1 of the Defendants in any civil, criminal or administrative proceeding in any court, administrative
2 agency or other tribunal. Defendants may file the Stipulation and/or this Judgment in any action
3 that may be brought against them in order to support a defense or counterclaim based on
4 principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or
5 reduction or any theory of claim preclusion or issue preclusion or similar defense or
6 counterclaim.

7 8. Without affecting the finality of this Judgment in any way, this Court hereby
8 retains continuing jurisdiction over: (a) implementation of the Settlement; and (b) all Parties
9 hereto for the purpose of construing, enforcing and administering the Stipulation.

10 9. Plaintiffs' Counsel are awarded attorneys' fees and expenses in the amount of
11 \$_____, to be paid by Defendants or their insurance carrier pursuant to the terms of
12 the Stipulation.

13 In the event that the Settlement does not become effective in accordance with the terms of the
14 Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in
15 accordance with the Stipulation and shall be vacated and, in such event, all orders entered and
16 releases delivered in connection herewith shall be null and void to the extent provided by and in
17 accordance with the Stipulation.

18 IT IS SO ORDERED.

19 Dated: _____

The Honorable Colleen K. Sterne
Judge of the Superior Court

20
21 Submitted by,

22
23 _____
FRANCIS A. BOTTINI, JR.

24 CHAPIN FITZGERALD SULLIVAN & BOTTINI, LLP
25 550 West C Street, Suite 2000
26 San Diego, California 92101
27 Telephone: (619) 241-4810
28 Facsimile: (619) 955-5318