

PRIVATE BANCORP OF AMERICA, INC.

9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS To Be Held May 16, 2018

TO THE SHAREHOLDERS OF PRIVATE BANCORP OF AMERICA, INC.:

NOTICE IS HEREBY GIVEN that the 2018 Annual Meeting of Shareholders (the “**Meeting**”) of Private Bancorp of America, Inc. (the “**Company**”) will be held at CalPrivate Bank (the “**Bank**”), located at 9404 Genesee Avenue, Suite 100, La Jolla, CA 92037, on Wednesday, May 16, 2018, beginning at 9:00 a.m. (local time), to consider and act upon the following proposal(s) and such other matters as may properly come before the Meeting and any continuations or adjournments thereof:

1. **ELECTION OF DIRECTORS.** To elect the following seven (7) nominees to serve as directors on the Company’s board of directors (the “**Board of Directors**”) until the next annual meeting of shareholders and until their respective successors are elected and have been qualified:

David Ellman
David S. Engelman
Selwyn Isakow
Marjory Kaplan

Leon Kassel
Ernest Rady
Thomas V. Wornham

2. **OTHER BUSINESS.** To transact such other business as may properly come before the Meeting and at any continuations or adjournments thereof.

The Board of Directors has fixed the close of business on March 19, 2018, as the record date for determination of shareholders entitled to notice of, and the right to vote at, the Meeting.

IT IS VERY IMPORTANT THAT EVERY SHAREHOLDER VOTE. WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. IF YOU DO ATTEND THE MEETING AND DESIRE TO VOTE IN PERSON, YOU MAY THEN REVOKE YOUR PROXY. THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO ITS EXERCISE. IN ORDER TO FACILITATE THE PROVIDING OF ADEQUATE ACCOMMODATIONS, PLEASE INDICATE ON THE PROXY WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING.

By Order of the Board of Directors,



Eric Larson,
Corporate Secretary

April 13, 2018
La Jolla, California

PRIVATE BANCORP OF AMERICA, INC.

9404 Genesee Avenue, Suite 100
La Jolla, CA 92037
(858) 875-6900

PROXY STATEMENT ANNUAL MEETING OF SHAREHOLDERS To Be Held May 16, 2018

INFORMATION CONCERNING PROXY

This Proxy Statement (this “**Proxy Statement**”) is furnished in connection with the solicitation of proxies for use at the 2018 Annual Meeting of Shareholders of Private Bancorp of America, Inc. (the “**Company**”) to be held at CalPrivate Bank (the “**Bank**”), located at 9404 Genesee Avenue, Suite 100, La Jolla, CA 92037, on Wednesday, May 16, 2018, beginning at 9:00 a.m. (local time), and at any continuations and adjournments thereof (the “**Meeting**”). The Company expects to mail this Proxy Statement, and the accompanying form of proxy and notice, on or about April 13, 2018, to shareholders of record as of March 19, 2018. The matters to be considered and voted upon at the Meeting, and at any continuations or adjournments thereof, will be:

1. **ELECTION OF DIRECTORS.** To elect the following seven (7) nominees to serve as directors on the Company’s board of directors (the “**Board of Directors**”) until the next annual meeting of shareholders and until their respective successors are elected and have been qualified:

David Ellman	Leon Kassel
David S. Engelman	Ernest Rady
Selwyn Isakow	Thomas V. Wornham
Marjory Kaplan	

2. **OTHER BUSINESS.** To transact such other business as may properly come before the Meeting and at any continuations or adjournments thereof.

Revocability of Proxies

A form of proxy for voting your shares at the Meeting is enclosed. Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted. You can revoke a previously delivered proxy in one of three ways: (1) you can deliver to the Company’s Corporate Secretary a written notice bearing a date later than the proxy you previously delivered stating that you would like to revoke your previously delivered proxy, provided the notice is received before your previously delivered proxy is voted; (2) you can complete, execute and deliver to the Company’s Corporate Secretary a later-dated proxy; or (3) you can attend the meeting and vote in person. Your attendance at the meeting alone will not revoke your proxy. Any written notice of revocation or subsequent proxy should be delivered to the Company’s Corporate Secretary at 9404 Genesee Avenue, Suite 100, La Jolla, CA 92037, Attention: Corporate Secretary, or hand-delivered to the chairman of the Meeting at or before the taking of the vote at the Meeting. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions. Unless revoked, all shares presented by a properly executed proxy received prior to the Meeting will be voted as directed thereon or, if no direction is indicated, will be voted “**FOR**” Proposal No. 1, the election as directors of the nominees specified in this Proxy Statement. If any other business is properly presented at the Meeting, the proxy will be voted in accordance with the recommendations of the Board of Directors.

Persons Making the Solicitation

This Proxy Statement and the accompanying form of proxy are being solicited by the Board of Directors. The costs of such solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the material used in this solicitation of proxies, will be borne by the Company. The principal solicitation of proxies is being made by mail, although additional solicitation may be made by telephone, electronic mail or personal visits by the Company’s officers, directors or employees. The Company may, at its discretion, engage the

services of a proxy solicitation firm to assist in the solicitation of proxies. The total expense of this solicitation will be borne by the Company and will include reimbursement paid to brokerage firms and others for their expenses in forwarding soliciting material and such expenses as may be paid to any proxy soliciting firm that the Company engages.

VOTING SECURITIES

Outstanding Shares and Record Date

Shareholders of record at the close of business on March 19, 2018 (the “**Record Date**”), are entitled to receive notice of and to vote at the Meeting. The number of shares of the Company’s common stock issued and outstanding as of the Record Date was 5,012,627 and the Company had 195 shareholders of record.

Voting Rights

Each shareholder of record as of the Record Date is entitled to cast one vote for each share of the Company’s common stock held on each matter to come before the Meeting, except that shareholders may have cumulative voting rights with respect to the election of directors. Cumulative voting allows a shareholder to cast a number of votes equal to the number of directors to be elected multiplied by the number of votes held in such shareholder’s name on the Record Date. This total number of votes may be cast for one nominee or may be distributed among as many nominees as the shareholder desires. If shares are voted cumulatively, the nominees receiving the highest number of votes up to the number of directors to be elected will be elected. Under California law and the Bylaws of the Company, no shareholder can cumulate votes unless, prior to voting at the Meeting, such shareholder has given notice of his or her intention to cumulate his or her votes at the Meeting. If any shareholder properly gives such notice, then all shareholders may cumulate their votes for candidates in nomination. The Board of Directors does not, at this time, intend to give such notice or to cumulate the votes it may hold pursuant to the proxies solicited herein unless the required notice by a shareholder is given, in which event votes represented by proxies delivered pursuant to this Proxy Statement may be cumulated at the discretion of the proxy holders, in accordance with the recommendation of the Board of Directors. Therefore, discretionary authority to cumulate votes in such event is solicited in this Proxy Statement.

The presence, in person or by proxy, of the holders of a majority of the aggregate number of outstanding shares of the Company’s common stock will constitute a quorum for the transaction of business at the Meeting and any continuation or adjournment thereof. With respect to Proposal 1, the seven (7) director nominees receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares shall be elected; votes against the director and votes withheld shall have no legal effect. With respect to any other business, the affirmative vote of (i) a majority of the shares represented and voting at the Meeting, and (ii) a majority of the quorum required to transact business at the Meeting, is required for approval.

Broker non-votes, or shares held by a broker or nominee that are represented at the Meeting but with respect to which the broker or nominee is not empowered to vote on a particular matter, will be counted only in determining whether a quorum is present at the Meeting.

If a broker holds your shares in "street name," your broker may not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares following the procedure provided by your broker. Without instructions, your shares may not be voted.

The proxy also confers discretionary authority in accordance with the recommendation of the Board of Directors to vote the shares represented thereby on any matter that was not known at the time this Proxy Statement was mailed which may properly be presented for action at the Meeting and may include, among other things, action with respect to procedural matters pertaining to the conduct of the Meeting and the election of any person to any office for which a bona fide nominee is nominated.

Shares that are not represented in person or by proxy at the Meeting shall not be counted in determining whether a quorum is present and shall not be deemed present at the Meeting. Proxies submitted by any shareholder that are unmarked as to any matter shall be voted according to the recommendation of the Board of Directors. A proxy withholding authority to vote for a director nominee as to Proposal 1, if shares are not voted cumulatively, will be counted as a vote not in favor of the director nominee. A vote of abstention, as to any proposal as to which abstention is permitted, will have the effect of a vote against such proposal if the number of affirmative votes cast for the proposal is a majority of the votes cast but does not constitute a majority of the quorum required to transact business at the

Meeting, however, if the number of affirmative votes cast for the proposal is a majority of the votes cast and constitutes a majority of the quorum required to transact business at the Meeting, a vote of abstention will have no effect on such proposal.

PROPOSAL 1 ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

The Bylaws of the Company provide that the number of authorized directors of the Company shall be not less than seven (7) nor more than thirteen (13), with the exact number of authorized directors to be fixed from time to time, within these limits, by approval of the Board of Directors or shareholders. The number of directors is presently fixed at seven (7).

All seven (7) nominees named below are currently members of the Board of Directors. Each individual has been nominated by the Board of Directors for election as a director to serve until the next annual meeting of the shareholders and until the election and qualification of a successor, and has agreed to serve if elected. Proxy votes granted hereunder will be cast in such a way as to effect the election of all nominees or, in the event of cumulative voting, as many as possible under the rules of cumulative voting, according to the recommendation of the Board of Directors. If any nominee should become unable or unwilling to serve as a director, the proxy votes granted hereunder will be voted for such substitute nominee as the Board of Directors shall designate. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve. The seven (7) nominees receiving the highest number of affirmative votes at the Meeting will be elected.

The following table sets forth certain information regarding the director nominees. See “Security Ownership of Certain Beneficial Owners and Management,” below, for information pertaining to the stock ownership of each director nominee.

<u>Name and Title</u>	<u>Age</u>	<u>Year Elected or Appointed</u>
David Ellman, Director	80	2006 ²
David S. Engelman, Director	80	2011 ¹
Selwyn Isakow Chairman of the Board, Director	66	2006 ²
Marjory Kaplan, Director	69	2015
Leon Kassel, Director	66	2006 ²
Ernest Rady, Director	80	2011 ²
Thomas V. Wornham, Director, Chief Executive Officer, President	57	2015

¹ Includes election or appointment to the board of directors of Coronado First Bank prior to its merger with San Diego Private Bank pursuant to which Coronado First Bank was the surviving bank and changed its name to San Diego Private Bank, which was prior to the formation of the Company as the Bank's bank holding company. San Diego Private Bank later changed its name to CalPrivate Bank.

² Includes election or appointment to the board of directors of San Diego Private Bank prior to its merger with Coronado First Bank pursuant to which Coronado First Bank was the surviving bank and changed its name to San Diego Private Bank, which was prior to the formation of the Company as the Bank's bank holding company. San Diego Private Bank later changed its name to CalPrivate Bank.

Business Experience and Background of the Director Nominees

David Ellman. Mr. Ellman is a resident of La Jolla, California. Mr. Ellman is the Chairman of Gerber Goldschmidt Group (GGG), a 98 year old international private equity investment and trading group. Mr. Ellman received his B.Com (Bachelor, Commerce) and LLB (Bachelor, Law) from the University of the Orange Free State, South Africa.

David S. Engelman. Mr. Engelman, a private investor and corporate director, was elected to the board of directors of San Diego Private Bank (now CalPrivate Bank) in December 2010. Mr. Engelman has served as a board member of MGIC Investment Corp., Fleetwood Enterprises, Fieldstone Mortgage Investment Corp., Union Fed Bancorp, Quaker City Bancorp, Commercial Federal Corp. and National Bank of La Jolla. .

Selwyn Isakow. Mr. Isakow is a resident of La Jolla, California. He is the Founder, Chairman and Chief Executive Officer of The Oxford Investment Group, Inc. a private equity, real estate and venture investment firm. Mr. Isakow was the Founder and Chairman of Bloomfield Hills Bancorporation, a Michigan-based holding company for The Private Bank. Previously, Mr. Isakow served as Executive Vice President of Comerica, Inc., as a Principal of Booz Allen & Hamilton, management consultants, where he was a member of the Worldwide Strategic Management Group and headed the Financial Service Industry practice for Western U.S., and as Audit Manager at a public accounting firm. Mr. Isakow has served as Chairman or Board Member of several NYSE companies as well as numerous private companies, healthcare and non-profit organizations. He received his MBA with distinction from Wharton Business School and his Bachelor of Commerce, Certificate in Accounting and Bachelor of Accounting degrees from University of Witwatersrand, Johannesburg, South Africa. He is a qualified Chartered Accountant.

Marjory Kaplan. Ms. Kaplan is currently a consultant in management, governance and human resources. From 1994 to 2016, she was President and CEO of the Jewish Community Foundation San Diego. Under her leadership, the foundation won top awards for governance and distributed community grants in excess of \$1 billion, becoming the largest grant maker in San Diego.

Leon Kassel. Mr. Kassel is a resident of La Jolla, California. He is the President of Javal Asset Management based in San Diego. Mr. Kassel has more than 28 years of banking and bank directorship experience.. Mr. Kassel obtained his B.S. in Management/Engineering from Worcester Polytechnic Institute in 1974.

Ernest Rady. Mr. Rady is an experienced banker, entrepreneur and philanthropist. He is Founder, President, CEO and Chairman of American Assets Inc., a NYSE listed REIT conglomerate with \$4.5 Billion in assets that controls businesses in numerous sectors of the economy, including financial services, investment management and real estate. He was formerly the Chairman and Chief Executive Officer of Westcorp, a NYSE-traded financial services company that was sold to Wachovia Corp. in 2006. His storied career spans a wide variety of industries, including beverage wholesale, radio stations/telecommunications towers, oil and gas, as well as professional soccer and major league baseball.

Thomas V. Wornham. Thomas V. Wornham was appointed President and Chief Executive Officer effective May 1st, 2015. Mr. Wornham has a distinguished background in banking, public infrastructure and community service leadership positions in San Diego. He has built banking organizations through organic growth and acquisition integration during his exemplary career at Wells Fargo, which spanned three decades. A native San Diegan, Mr. Wornham has been active in local government and spent decades commuting to Sacramento and Washington D.C. conducting Government Relations for both the Private and Public Sector. Most recently he was Chairman of the San Diego County Water Authority.

Recommendation

THE BOARD OF DIRECTORS URGES YOU TO VOTE “FOR” PROPOSAL 1: TO ELECT THE SEVEN (7) NOMINEES SET FORTH ABOVE TO SERVE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND UNTIL THEIR RESPECTIVE SUCCESSORS HAVE BEEN ELECTED AND HAVE BEEN QUALIFIED. THE BOARD OF DIRECTORS INTENDS TO VOTE ALL PROXIES HELD BY IT IN FAVOR OF ELECTION OF EACH OF THE NOMINEES LISTED IN THIS PROXY STATEMENT.

BANK BOARD OF DIRECTORS

The Bank Board will consist of eleven (11) members. In addition to the Company Director Nominees, the Bank Board will include four additional members: Keith Jones, James Parks, Richard Smith, and Rick L. Sowers.

Business Experience and Background of the additional Bank Directors

Keith B. Jones. Mr. Jones is the Owner & Managing Partner of Ace Parking. Founded in 1950, Ace Parking is the largest and most prestigious family owned and operated parking company in North America. Mr. Jones has led the corporate strategy, operations and moral compass for Ace Parking since 2004, including the firm's expansion and emergence as the nation's premier parking company founded on technological innovations, extreme customer service values and a strong, purposeful internal company culture. Mr. Jones is responsible for the strategic and creative vision of the company, along with ensuring the company's growth and profitability. Jones holds a BA from NYU.

James R. Parks. Mr. Parks heads the Los Angeles, California office of CBIZ MHM, LLC and specializes in providing consulting services to companies and individuals in the real estate, entertainment, manufacturing, media and service industries. Mr. Parks provides tax consulting, business and family law litigation, business management/family office and tax services for high net worth individuals, entertainment and media industry and real estate industry consulting. Mr. Parks has been a member of CBIZ since his prior company (Parks, Palmer, Turner & Yemenidjian, LLP) was acquired in 1999. He has over forty years of public accounting experience. Mr. Parks also co-founded and is Chairman of Realty Center Management, Inc. (RCMI), a real estate company that manages and through affiliates owns over 9470 apartment units and approximately 200,000 square feet of commercial office space. Mr. Parks is a Certified Public Accountant in the state of California and received his BS and MBT degrees from the University of Southern California.

Richard Smith. Mr. Smith has been involved in the banking industry for 40 years, specializing in private banking for high-net-worth individuals. In 2005 he founded The Private Bank of California, a concierge bank catering to high-net-worth individuals and companies in the business management, entertainment and real estate sectors in Los Angeles. In 2012, Private Bank of California was sold to Banc of California where he headed the Private Banking Division.

Rick L. Sowers. Mr. Sowers is a Southern California native and 1995 graduate of UCSD, where he earned a BS in Economics. He worked first with Accenture Consulting in Los Angeles then joined CAST Management Consultants, where he spent a decade as a VP/Associate Partner. He specialized in creating bank efficiencies, profitability and optimizing customer focus and experience. In 2008, Mr. Sowers joined Bank of Manhattan/Manhattan Bancorp as EVP & Chief Banking Officer. He became President of the Bank prior to its merger with Plaza Bank – Irvine in 2015. There Mr. Sowers held positions starting from EVP & Chief Strategy Officer to Chief Operating Officer. He served as the Bank's President until Plaza Bank sold to Pacific Premier Bank in October 2017.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 19, 2018, pertaining to beneficial ownership of the Company's common stock by each director, nominee and executive officer of the Company and the Bank, and all directors and executive officers of the Company and the Bank as a group. The information contained herein has been obtained from the Company's records and from information furnished directly by the individual or entity to the Company. All shares are held with sole voting and investment power except as otherwise indicated. All directors and executive officers may be contacted in care of the Company at 9404 Genesee Avenue, Suite 100, La Jolla, CA 92037. The term "executive officer" refers to the Company's and the Bank's President/Chief Executive Officer, Chief Credit Officer, and Chief Financial Officer.

Name	Common Stock Beneficially Owned ⁽¹⁾ On March 19, 2018	
	Number of Shares	Percentage of Shares Outstanding
<i>Directors, Nominees & Executive Officers</i>		
David Ellman, Director of the Company and the Bank	178,935 ⁽²⁾	3.56%
David S. Engelman, Director of the Company and the Bank	6,200	0.12%
Selwyn Isakow, Chairman of the Board of the Company and the Bank	486,449 ⁽³⁾	9.62%
Keith Jones, Director of the Bank	1,550	0.03%
Marjory Kaplan, Director of the Company and the Bank	3,550	0.07%
Leon Kassel, Director of the Company and the Bank	206,229 ⁽⁴⁾	4.11%
Eric Larson, Chief Financial Officer of the Company and the Bank	22,355 ⁽⁵⁾	0.44%
James Parks, Director of the Bank	100	0.00%
Ernest Rady, Director of the Company and the Bank	347,369 ⁽⁶⁾	6.92%
Steve Rippe, Chief Credit Officer of the Bank	0	0.00%
Richard Smith, Director of the Bank	8,900	0.18%
Rick L Sowers, President and Director of the Bank	5,000	0.10%
Thomas V. Wornham, Director, Chief Executive Officer & President of the Company, Chief Executive Officer of the Bank	34,341 ⁽⁷⁾	0.68%
Directors and Executive Officers as a group (13 persons)	1,300,978	25.35%

- (1) More than one person may be the beneficial owner or possess certain attributes of beneficial ownership with respect to the same securities. Beneficial ownership includes shares held, directly or indirectly, beneficially or of record together with associates and includes shares held as trustee or as custodian for minor children, shares held in an individual retirement account or pension plan of which such person is sole beneficiary, and as to which such person has pass-through voting rights and investment power. Shares of common stock issuable pursuant to options, warrants or other derivative securities exercisable within sixty days of March 19, 2018, are deemed to be issued and outstanding and have been treated as outstanding in calculating the percentage ownership of those individuals possessing such interest. Unless otherwise specified in the footnotes that follow, the indicated person has sole voting power and sole investment power with respect to the shares.
- (2) Includes 10,773 shares that may be acquired through exercise of stock options.
- (3) Includes 84,421 shares as to which Mr. Isakow has shared voting and investment power; 191,144 shares for which Mr. Isakow's spouse has voting power and 45,524 shares that may be acquired through exercise of stock options.
- (4) Includes 7,000 shares that may be acquired through exercise of stock options.
- (5) Includes 20,000 shares that may be acquired through exercise of stock options.
- (6) Includes 7,000 shares that may be acquired through exercise of stock options.
- (7) Includes 1,725 shares for which Mr. Wornham's spouse has voting power and 30,000 shares that may be acquired through exercise of stock options.

BUSINESS EXPERIENCE OF EXECUTIVE OFFICERS

The following is a brief summary of the background and business experience, including principal occupation, during the last five years, the Company's and Bank's executive officers who are not members of the Company's or the Bank's board of directors.

Steve Rippe, Chief Credit Officer of the Bank. Mr. Rippe is the Chief Credit Officer of the Bank. Mr. Rippe organized Embarcadero Bank in 2005 and served as Chief Executive Officer until 2011. Embarcadero Bank acquired Coronado First Bank in 2011 where Mr. Rippe served as Chairman of the Board and Chief Credit Officer. Mr. Rippe assumed his current role in 2013 when Coronado First Bank and San Diego Private Bank were merged. Mr. Rippe is a resident of Coronado, California and a graduate of the University of California, Santa Barbara.

Eric Larson, Executive Vice President and Chief Financial Officer. Eric Larson is Chief Financial Officer of the Company and the Bank. Mr. Larson held the same title and role with San Diego Private Bank prior to the merger with Coronado First Bank which created the Bank. Prior to his tenure at San Diego Private, Mr. Larson was employed at San Diego National Bank from 1985 until 2009, the last twelve years as Senior Vice President and Chief Financial Officer. Mr. Larson graduated from Iowa State University with a Bachelor of Business Administration degree in Finance.

BOARD OF DIRECTORS AND COMMITTEES

Board of Director Meetings

During 2017, the Board of Directors of the Company held six (6) regular meetings and the board of directors of the Bank held ten (10) regular meetings and one (1) special meeting. During 2017, Bank directors not employed by the Bank earned cash compensation in the base amount of \$22,000 annually. In addition, the Chairman of the Board, the Compensation, Nominating and Governance Chair and the Audit Committee Chair each received an additional amount of \$5,000, the Loan Committee Chair received an additional amount of \$4,000, the Asset/Liability Chair received an additional amount of \$3,000 and the Community Reinvestment Act Chair received an additional amount of \$1,500. Each Bank director not employed by the Company also was granted 600 shares of common stock as compensation for their service to the Company in such capacity. There was no additional compensation for Company or Bank directors.

Audit Committee. The Company and the Bank each has an audit committee comprised of: David Engelman (Committee Chair), David Ellman, Leon Kassel and James Parks. Each board of directors has adopted a written charter for the its audit committee, a copy of which is available from the Company upon request. The responsibilities of each audit committee, as more fully described in its charter, include recommending to the board of directors the independent auditors to be selected, reviewing the scope and procedures of proposed audits and the results of audits, reviewing the adequacy and effectiveness of accounting and financial controls, and reviewing the internal auditing function and the financial statements. During the fiscal year ended December 31, 2017, the audit committees held a total of six (6) joint meetings.

Loan Committee. The Bank has a loan committee comprised of: Ernest Rady (Committee Chair), Keith Jones, Selwyn Isakow, Rick L. Sowers, and Thomas V. Wornham. The responsibilities of the loan committee are to establish credit policy and approve loans in excess of management's internal limits. During the fiscal year ended December 31, 2017, the loan committee held a total of four (4) meetings.

Compensation, Nominating and Governance Committee. The Bank has a compensation committee comprised of: Marjory Kaplan (Committee Chair), David Ellman, David Engelman, and Selwyn Isakow. The responsibilities of the personnel/compensation committee are to oversee compensation and benefits issues of the Bank and to review compensation of the Bank's executive officers. During the fiscal year ended December 31, 2017, the personnel/compensation committee held a total of twelve (12) meetings.

Asset/Liability and Investment Committee. The Bank has an asset/liability and investment committee comprised of: Leon Kassel (Committee Chair), Selwyn Isakow, Ernest Rady, Richard Smith and Thomas V. Wornham. The responsibilities of the asset/liability and investment committee are to review management's adherence to asset/liability, investment and funds management policy. During the fiscal year ended December 31, 2017, the asset/liability and investment committee held a total of (4) four meetings.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Many of the directors, officers and employees of the Company, and companies with which they are associated, have and will continue to have banking transactions with the Bank in the ordinary course of business. It is the firm policy of the Board of Directors that any loans and commitments to lend included in such transactions will be made in accordance with all applicable laws and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons of similar creditworthiness, and which do not involve more than the normal risk of collectability.

During 2017, the Bank made two loans to Bank Director James Parks totaling \$2,360,000. These loans are still outstanding, but are not on terms more favorable than to a typical bank customer.

The Bank has entered into a consulting agreement with Mr. Isakow, pursuant to which, Mr. Isakow provides services related to client development and retention, shareholder development and communications, business model implementation and acquisitions strategies. For his services, Mr. Isakow receives an annual compensation of \$108,000 plus additional compensation, at the Bank board of directors' discretion, of up to \$150,000 or more. This consulting agreement expires March 1, 2019.

OTHER MATTERS

Management is not aware of any matters to be presented to the Meeting other than those set forth above. However, if other matters properly come before the Meeting, it is the intention of the persons named in the accompanying proxy to vote said proxy in accordance with the recommendations of the Board of Directors, and authority to do so is included in the proxy.

A COPY OF THE BANK'S ANNUAL DISCLOSURE STATEMENT WILL BE FURNISHED UPON A SHAREHOLDER'S REQUEST BY WRITING THE COMPANY AT 9404 GENESEE AVENUE, SUITE 100, LA JOLLA, CA 92037 OR BY CALLING THE BANK AT (858) 875-6900.