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COMMUNITY WEST BANCSHARES /
Form PRE 14A
April 24, 2001

COMMUNITY WEST BANCSHARES
445 Pine Avenue
Goleta, California 93117-3474
Telephone: (805) 692-1862

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 24, 2001

TO THE SHAREHOLDERS OF COMMUNITY WEST BANCSHARES:

NOTICE IS HEREBY GIVEN that, pursuant to the Bylaws of Community West Bancshares and the call of its Board of Directors, the 2001 Annual Meeting of Shareholders of Community West Bancshares (the "Company") will be held at the Holiday Inn, 5650 Calle Real, Goleta, California 93117, on Thursday, May 24, 2001, at 6:00 p.m. Pacific Daylight Time (the "Meeting"), for the purpose of considering and voting on the following matters:

1. ELECTION OF DIRECTORS. Electing the following eleven (11)

persons to the Board of Directors to serve until the 2002 Annual Meeting of Shareholders and until their successors are elected and have qualified:

| | |
|----------------------|--------------------|
| Michael A. Alexander | Michel Nellis |
| Mounir R. Ashamalla | William R. Peeples |
| Robert H. Bartlein | Richard M. Sanborn |
| Jean W. Blois | James R. Sims, Jr. |
| John D. Illgen | Llewellyn W. Stone |
| Lynda Nahra | |

2. INDEPENDENT PUBLIC ACCOUNTANTS. Ratification of Arthur

Andersen, LLP to continue to serve as the Company's independent public accountants for the current fiscal year, ending December 31, 2001.

3. OTHER BUSINESS. Transacting such other business as may

properly come before the Meeting and any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on April 2, 2001, as the record date for determination of shareholders entitled to notice of, and the right to vote at, the Meeting.

The Bylaws of the Company provide for the nomination of directors in the following manner:

"Nominations for election of members of the board of directors may be made by the board of directors or by any shareholder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors.

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Notice of intention to make any nominations (other than for persons named in the notice of the meeting at which such nomination is to be made) shall be made in writing and shall be delivered or mailed to the president of the corporation no more than sixty (60) days prior to any meeting of shareholders called for the election of directors and no more than ten (10) days after the date the notice of such meeting is sent to shareholders pursuant to Section 2.4 of these Bylaws; provided, however, that if ten (10) days notice of such meeting is sent to shareholders, such notice of intention to nominate must be received by the president of the corporation not later than the time fixed in the notice of the meeting for the opening of the meeting. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the corporation owned by the notifying shareholder; (f) with the written consent of the proposed nominee, a copy of which shall be furnished with the notification, whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy, or been adjudged a bankrupt. The notice shall be signed by the nominating shareholder and by the nominee. Nominations not made in accordance herewith shall be disregarded by the chairman of the meeting and, upon his instructions, the inspectors of election shall disregard all votes cast for each such nominee. The restrictions set forth in this paragraph shall not apply to nomination of a person to replace a proposed nominee who has died or otherwise become incapacitated to serve as a director between the last day for giving notice hereunder and the date of election of directors if the procedure called for in this paragraph was followed with respect to the nomination of the proposed nominee. A copy of the preceding paragraph shall be set forth in the notice to shareholders of any meeting at which directors are to be elected."

SINCE IMPORTANT MATTERS ARE TO BE CONSIDERED AT THE MEETING, IT IS VERY IMPORTANT THAT EACH 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. THE ENCLOSED PROXY IS SOLICITED BY THE COMPANY'S BOARD OF DIRECTORS. ANY SHAREHOLDER WHO EXECUTES AND DELIVERS SUCH A PROXY HAS THE RIGHT TO REVOKE IT AT ANY TIME BEFORE IT IS EXERCISED BY GIVING WRITTEN NOTICE OF REVOCATION TO THE SECRETARY OF THE COMPANY, BY SUBMITTING PRIOR TO THE MEETING A PROPERLY EXECUTED PROXY BEARING A LATER DATE, OR BY BEING PRESENT AT THE MEETING AND ELECTING TO VOTE IN PERSON BY ADVISING THE CHAIRMAN OF THE MEETING OF SUCH ELECTION.

PLEASE INDICATE ON THE PROXY WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING SO THAT THE COMPANY CAN ARRANGE FOR ADEQUATE ACCOMMODATIONS.

By Order of the Board of Directors

April 27, 2001

Michel Nellis, Secretary

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ANNUAL REPORT ON FORM 10-K

COPIES OF THE COMPANY'S 2000 ANNUAL REPORT ON FORM 10-K, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, ARE AVAILABLE UPON REQUEST TO: MS. LYNDA PULLON RADKE, SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, COMMUNITY WEST BANCSHARES, 445 PINE AVENUE, GOLETA, CALIFORNIA 93117-3474, TELEPHONE (805) 692-1862.

COMMUNITY WEST BANCSHARES
445 PINE AVENUE
GOLETA, CALIFORNIA 93117-3474

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 24, 2001

SOLICITATION AND VOTING OF PROXIES

This Proxy Statement is being furnished to shareholders of Community West Bancshares (the "Company") in connection with the solicitation by the Board of Directors ("Board of Directors") of proxies to be used at the Annual Meeting of Shareholders, to be held on Thursday, May 24, 2001 at 6:00 p.m. Pacific time at the Holiday Inn, 5650 Calle Real, Goleta, California 93117 (the "Meeting"), and at any and all adjournments thereof. The Company's 2000 Annual Report to Shareholders, including consolidated financial statements for the year ended December 31, 2000 accompanies this Proxy Statement, which is first being mailed to recordholders on or about April 27, 2001.

Regardless of the number of shares of Common Stock owned, it is important that the shareholders of a majority of shares be represented by proxy or present in person at the Meeting. Shareholders are requested to vote by completing the enclosed proxy card and returning it signed and dated in the enclosed postage paid envelope. Shareholders are to indicate their vote in the spaces provided on the proxy card. Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. Where no instructions are indicated, signed proxy cards will be voted "AUTHORITY GIVEN" for the election of the nominees for directors named in this Proxy Statement, "FOR" ratification of Arthur Andersen, LLP ("Andersen") as independent public accountants of the Company for year ending 2001. If any other business is properly presented at the Meeting, the proxy will be voted in accordance with the recommendations of the Company's Board of Directors.

Other than the matters set forth on the attached Notice of the Meeting, the Board of Directors knows of no additional matters that will be presented for consideration at the Meeting. Execution of a proxy, however, confers the designated proxy holder's discretionary authority to vote the shares in accordance with the recommendations of the Company's Board of Directors on such other business, if any, that may properly come before the Meeting and at any adjournments thereof, including whether or not to adjourn the Meeting.

You may revoke your proxy at any time prior to its exercise by filing a written notice of revocation with the Secretary of the Company, by delivering to the Company a duly executed proxy bearing a later date, or by attending the Meeting and voting in person. However, if you are a shareholder whose shares are not registered in your own name, you will need to provide appropriate documentation from the recordholder to vote personally at the Meeting.

The matters to be considered and voted upon at the Meeting will be:

1. ELECTION OF DIRECTORS. Electing the following eleven persons to the

Board of Directors to serve until the 2002 Annual Meeting and until their

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successors are elected and have qualified:

| | |
|----------------------|--------------------|
| Michael A. Alexander | Michel Nellis |
| Mounir R. Ashamalla | William R. Peeples |
| Robert H. Bartlein | Richard M. Sanborn |
| Jean W. Blois | James R. Sims, Jr. |
| John D. Illgen | Llewellyn W. Stone |
| Lynda Nahra | |

2. INDEPENDENT PUBLIC ACCOUNTANTS. Ratification of Arthur Andersen, LLP

to continue to serve as the Company's independent public accountants for the current fiscal year, ending December 31, 2001. Such services will include the examination of the financial statements of the Company for the fiscal year ending on such date and other appropriate accounting services.

3. OTHER BUSINESS. Transacting such other business as may properly come

before the Meeting and any adjournment or adjournments thereof.

This solicitation of proxies is being made by the Board of Directors of the Company. The expense of solicitation of proxies for the Meeting will be borne by the Company. It is anticipated that proxies will be solicited primarily through the use of the mail. Proxies may also be solicited personally or by telephone by directors, officers and employees of the Company, and its wholly owned subsidiaries, Goleta National Bank ("Goleta") and Palomar Community Bank ("Palomar"), without additional compensation therefor. The Company will also request persons, firms and corporations holding shares in their names, or in the name of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners, and will reimburse such holders for their reasonable expenses in doing so.

VOTING SECURITIES

The securities which may be voted at the Meeting consist of shares of common stock of the Company (the "Common Stock"), with each share entitling its owner to one vote on all matters to be voted on at the Meeting. The close of business on April 2, 2001 has been fixed by the Board of Directors as the record date (the "Record Date") for the determination of shareholders of record entitled to notice of and to vote at the Meeting and at any adjournment or adjournments thereof. The total number of shares of Common Stock outstanding on the Record Date was 6,107,216 shares. In connection with the election of directors, shares shall be voted cumulatively if a candidate's or candidates' name(s) have been properly placed in nomination prior to voting and the shareholder has properly given notice of the intention to vote cumulatively. Cumulative voting allows a shareholder to cast a number of votes equal to the number of shares held in his or her name as of the Record Date, multiplied by the number of directors to be elected. The total number of votes may be cast for one nominee or may be distributed amongst as many nominees, or in such proportions, as the shareholder so directs.

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Directors are elected by plurality vote. Abstentions and broker non-votes do not have the effect of votes in opposition to a director. Abstentions are, however, counted towards a quorum.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS, AND MANAGEMENT

Except as set forth below, Management of the Company does not know of any person who owns beneficially or of record, more than 5% of the Company's outstanding Common Stock. The following table sets forth certain information as of the Record Date, concerning the beneficial ownership of the Company's outstanding Common Stock by the Company's directors, and executive officers(1), and by all directors and executive officers of the Company as a group. Management is not aware of any change in control of the Company, which has occurred since January 1, 2000, nor of any arrangement, which may, at a subsequent date, result in a change in control of the Company.

| NAME AND TITLE | NUMBER OF SHARES OF COMMON STOCK BENEFICIALLY OWNED (2) | NUMBER OF SHARES SUBJECT TO VESTED STOCK OPTIONS (3) | PERCENT OF CLAS BENEFICIALLY OWNED (3) |
|---|---|--|--|
| MICHAEL A. ALEXANDER, Chairman of the Board | 121,039 | - | 1.9 |
| MOUNIR R. ASHAMALLA, Director | 97,391 | - | 1.5 |
| ROBERT H. BARTLEIN, Director | 125,762 | - | 2.0 |
| JEAN W. BLOIS, Director | 50,824 | 11,554 | 1.0 |
| JOHN D. ILLGEN, Director | 46,956 | 14,414 | 1.0 |
| LYNDA NAHRA Director, President of Goleta National Bank | 1,350 | 15,500 | 0.2 |
| MICHEL NELLIS, Secretary and Director | 41,644 | 14,414 | 0.9 |
| WILLIAM R. PEEPLES, (4) Vice Chairman of the Board | 605,728 | - | 9.9 |
| LYNDA PULLON RADKE, Senior Vice President and Chief Financial Officer | 2,100 | 38,000 | 0.6 |
| RICHARD M. SANBORN, Director and President of Palomar | 995 | 11,500 | .2 |
| JAMES R. SIMS, JR., | 29,141 | 14,414 | 0.7 |

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Director

| | | | |
|--|-----------|---------|------|
| LLEWELLYN STONE | 79,084 | 20,000 | 1.6 |
| Director, President and Chief Executive Officer | | | |
| ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (12 in number) | 1,202,014 | 139,796 | 21.4 |
| PRINCIPAL SHAREHOLDER | | | |
| ----- | | | |
| JOHN D. MARTEL, (5) | 585,366 | - | 9.5 |
| Principal Shareholder | | | |
| ===== | | | |

- (1) As used throughout this Proxy Statement, the term "executive officer" means the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer of the Company. The term "executive officer" also includes the President and Chief Executive Officer of Palomar and the President of Goleta National Bank. The Company's Chairman of the Board, Vice Chairmen of the Board, and Secretary are not deemed to be executive officers of the Company.
- (2) Includes shares beneficially owned, directly and indirectly, together with associates, except for shares subject to vested stock options and outstanding warrants. Also includes shares held as trustee and held by or as custodian

(Footnotes continued on the next page)
(Footnotes continued)

for minor children. Unless otherwise noted, all shares are held as community property under California law or with sole investment and voting power.

- (3) Shares subject to options held by directors or executive officers that were exercisable within 60 days after the Record Date ("vested") are treated as issued and outstanding for the purpose of computing the percent of the class owned by such person, but not for the purpose of computing the percent of class owned by any other person.
- (4) Mr. Peeples' business address is c/o Community West Bancshares 445 Pine Avenue Goleta, CA 93117.
- (5) Mr. Markel's business address is c/o Community West Bancshares 445 Pine Avenue Goleta, CA 93117.

PROPOSALS TO BE VOTED ON AT THE ANNUAL MEETING

PROPOSAL 1.
ELECTION OF DIRECTORS

Article 3.2 of the Company's Bylaws provides that the authorized number of directors shall not be less than six (6) nor more than eleven (11), with the exact number of directors fixed from time to time by resolution of a majority of the full Board of Directors or by resolution of the shareholders. The number of directors has been fixed at eleven (11) by action of the Board of Directors.

The eleven nominees named below, all of whom are currently members of the Company's Board of Directors, will be nominated for re-election as directors to serve until the 2002 Annual Meeting of Shareholders and until their successors

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are elected and have qualified. Votes will be cast in such a way as to effect the election of all eleven (11) nominees, or as many thereof as possible. In the event that any of the nominees should be unable to serve as a director, it is intended that the Proxy will be voted for the election of such substitute nominees, if any, as shall be designated by the Board of Directors. The Board of Directors has no reason to believe that any of the nominees will be unable or unwilling to serve. Additional nominations can only be made by complying with the notice provision set forth in the Bylaws of the Company, an extract of which is included in the Notice of Annual Meeting of Shareholders accompanying this Proxy Statement. This Bylaw provision is designed to give the Board of Directors advance notice of competing nominations, if any, and the qualifications of nominees, and may have the effect of precluding third-party nominations if the notice provisions are not followed.

None of the directors or executive officers of the Company were selected pursuant to any arrangement or understanding, other than with the directors and executive officers of the Company, acting within their capacities as such. The Company knows of no family relationships between the directors and executive officers of the Company, nor do any of the directors or executive officers of the Company serve as directors of any other company which has a class of securities registered under, or which is subject to the periodic reporting requirements of, the Securities Exchange Act of 1934 or any investment company registered under the Investment Company Act of 1940.

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The following table sets forth, as of the Record Date, the names of the nominees and certain information concerning the persons to be nominated by the Board of Directors for re-election as directors of the Company:

| NAME AND TITLE | AGE | BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS | YEAR FIRST ELECTED OR APPOINTED DIRECTOR OF THE COMPANY | YEAR FIRST OR APPOINTED GOLETA OR |
|--|-----|--|---|-----------------------------------|
| MICHAEL A. ALEXANDER, Chairman of the Board | 70 | Chairman of Utilicom Corp. since 1994. (Electronics) | 1997 | |
| MOUNIR R. ASHAMALLA, Director | 63 | Oral-Maxillo-Facial Surgeon | 1997 | |
| ROBERT H. BARTLEIN, Director | 53 | President of Bartlein Group, Inc. and Bartlein & Company, Inc. (Real estate management) | 1997 | |
| JEAN W. BLOIS, Director | 73 | Independent consultant | 1997 | |
| JOHN D. ILLGEN, Director | 56 | President and Chairman of Illgen Simulation Technologies, Inc. (Computer software simulations) | 1997 | |
| LYNDA NAHRA, Director(1) | 50 | President of Goleta National Bank, Regional President Goleta National Bank, COO Goleta National Bank (1997-Present), Vice President Business Sales Manager, WestAmerica Bank (1996-1997), Vice President, Team Leader, First Interstate Bank, Private Banking Services (1995-1996) | 2001 | |

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| | | | |
|---|----|---|------|
| MICHEL NELLIS, Secretary and Director | 54 | Partner, Nellis Associates. (Financial Services) | 1997 |
| WILLIAM R. PEEPLES, Vice Chairman of the Board | 58 | Private investor | 1997 |
| RICHARD M. SANBORN, Director(1) | 38 | President and Chief Executive Officer, Palomar Community Bank (1999-Present), Vice President, Regional Director, Home Savings (1999 - 1997), Senior Vice President Domestic Lending, Bank of Southern California (1995 - 1997) | 2000 |
| JAMES R. SIMS, JR., Director | 65 | Realtor | 1997 |
| LLEWELLYN W. STONE, Director, President and Chief Executive Officer (1) | 58 | President and Chief Executive Officer | 1997 |