

COMMUNITY WEST BANCSHARES /
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Prospectus

COMMUNITY WEST BANCSHARES

UP TO \$8,800,000 IN
9% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2020
AND
UP TO 2,514,286 SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THE 9%
CONVERTIBLE SUBORDINATED DEBENTURES DUE 2020

We are offering an aggregate of \$8,000,000 in 9% Convertible Subordinated Debentures due on the 10th anniversary of the date of issuance (the "Maturity Date") (the "Debentures"). Each Debenture will be sold in the principal amount of \$1,000 (or a principal amount that is an integral multiple of \$1,000) and will pay simple interest at the annual rate of 9% per annum, calculated through the last day of each calendar quarter and payable quarterly on January 15, April 15, July 15 and October 15. The Debentures are convertible at any time prior to maturity, unless previously redeemed, in whole or in part, into shares of our no par value Common Stock (the "Common Stock") at the election of the holder. Upon surrender of any or all of the Debentures along with a completed notice of conversion, a shareholder may convert that portion of the principal amount of the Debentures so surrendered into shares of Common Stock at \$3.50 per share if converted on or before July 1, 2013, at \$4.50 per share if converted during the period from July 2, 2013 to July 1, 2016, and at \$6.00 per share if converted during the period from July 2, 2016 to the Maturity Date, subject to certain adjustments, including subdivisions, redivisions, reductions, combinations, or consolidations of our outstanding Common Stock. We may, at our option, call all or any part of the Debentures for payment and redeem the same at any time and from time to time after January 1, 2014 for face amount plus any interest accrued and unpaid to the date of redemption. The Debentures are unsecured obligations of Community West Bancshares, are subordinate to all our other present and future debts and obligations, are not deposits at, or other obligations of, a bank or savings associations, and are not insured or guaranteed by the Federal Deposit Insurance Corporation (the "FDIC").

The Debentures will not be listed for trading on any stock exchange or market; consequently, there is no established trading market for the Debentures and none is likely to emerge. The Common Stock is quoted on the NASDAQ Global Market under the symbol "CWBC." On May 3, 2010, the last reported sale price of the Common Stock was \$3.43 per share.

The Debentures will only be offered in principal amounts of \$1,000 or an integral multiple thereof and will first be offered to shareholders of record on April 30, 2010 (the "Record Date") (the "Rights Offering") who will be granted one subscription right (a "Right") to subscribe for and to purchase \$1,000 principal amount of Debentures for every 750 shares of Common Stock, or a fraction thereof, held on the Record Date (the "Basic Subscription Privilege"). Record Date shareholders may "round-up" the number of shares of Common Stock held by them to 750 shares, if they have less than 750 shares, or to the next highest integral multiple of 750, if they owned more than 750 shares, and subscribe to purchase a Debenture in a principal amount of \$1,000 for every 750 shares of Common Stock that results from this

rounding-up procedure (the "Rounding-Up Privilege"). Any shareholder who fully exercises such shareholder's Right (including the Rounding-Up Privilege) will be entitled to subscribe for additional Debentures pursuant to "Over-Subscription Privileges," subject to the discretion of our Board to accept or reject subscriptions for Debentures pursuant to Over-Subscription Privileges. The Rights Offering will expire on June 24, 2010 (the "Rights Offering Expiration Date"). All remaining Debentures not subscribed for in the Rights Offering will be offered to the general public and to existing shareholders alike (the "Public Offering"). The Public Offering will run concurrently with the Rights Offering and will terminate on July 9, 2010 (the "Public Offering Expiration Date"), although we will not accept subscriptions for Debentures in the Public Offering if the maximum principal amount of Debentures we are offering are subscribed for and purchased in the Rights Offering.

The Date of this Prospectus is May 10, 2010

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INVESTING IN THE DEBENTURES INVOLVES VARIOUS RISKS. See “RISK FACTORS” on beginning Page 11 of this prospectus.

THE SECURITIES OFFERED HEREBY ARE NOT SAVINGS ACCOUNTS OR DEPOSITS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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You should rely only on the information contained in this prospectus. We have not, and nor has our subscription agent, Computershare Trust Company, N.A, authorized anyone to provide you with different information. The information contained in this prospectus is accurate only as of the date of this prospectus regardless of the time of delivery of this prospectus or any exercise of the subscription rights. Our business, financial condition, results of operations and prospects may have changed since those dates. We are not making an offer of these securities in any state or jurisdiction where the offer is not permitted.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any

restrictions as to this offering and the distribution of this prospectus applicable to those jurisdictions.

Unless the context indicates otherwise, all references in this prospectus to the "Company," "we," "our" and "us" refer to Community West Bancshares and our subsidiary, Community West Bank, National Association; except that in the discussion of our subscription rights and capital stock and related matters these terms refer solely to Community West Bancshares and not to any of our subsidiaries. In this prospectus, we sometimes refer to Community West Bank as the "Bank" and we will refer to the Rights Offering and the Public Offering collectively as the "Offering ."

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QUESTIONS AND ANSWERS ABOUT THE OFFERING

Q: Who is Community West Bancshares?

A: We are a bank holding company and we provide management and shareholder services to Community West Bank, National Association (herein, the “Bank”), our sole bank subsidiary. The Bank is a national banking association chartered under the laws of the United States and offers a range of commercial and retail financial services to professionals, small to mid-sized businesses and individual households. These services include various loan and deposit products and other financial services.

Q: What kind of offering is this?

A: We are offering up to \$8,000,000 in the principal amount of 9% Convertible Subordinated Debentures. The Debentures will first be offered to our holders of our Common Stock as of April 30, 2010, the Record Date for determining shareholders who will be granted a Right to subscribe for Debentures. Any Debentures not subscribed for in the Rights Offering will be offered to the general public and to existing shareholders alike in the Public Offering. See “THE OFFERING” for more information.

Q: What is a Subordinated Debenture?

A: A Debenture is our promise to repay your principal investment plus accrued but unpaid interest on the maturity date of the Debenture. The Debentures are our general unsecured obligations and are subordinated in right of payment to all of our present and future senior indebtedness. Subordinated means that if we are unable to pay our debts as they come due, all of the senior indebtedness would be paid first, before any payment would be made on the Debentures. As of December 31, 2009, while we did not have any debt outstanding that ranks equal with or senior to the Debentures, however, the Company did have \$15,600,000 of Series A Fixed Rate Cumulative Perpetual Preferred Stock outstanding to the U.S. Treasury (the “Series A Preferred Stock”) which ranks senior to the Debentures. Under the terms of the Series A Preferred Stock, the Company is obligated to make quarterly dividend payments to the U.S. Treasury at the annual dividend rate of 5% per annum or \$780,000 until the fifth anniversary of the issuance date (December 19, 2013) which payment obligation ranks senior to our obligations under the Debentures. The dividend rate increases to 9% or \$1,404,000 per year after that date.

We expect to incur additional debt in the future, including, without limitation, the Debentures offered pursuant to this prospectus.

Q: Is my investment in the Debentures insured?

A: No. The Debentures are not certificates of deposit or similar obligations or guaranteed by any depository institution, and they are not insured by the FDIC or any governmental or private insurance fund, or any other entity. They are backed only by the faith and credit of our company and our operations.

Q: How is interest calculated and paid to me?

A: The interest rate is 9% per annum based on a 365-day year and actual days elapsed. Interest earned on the Debentures is calculated through the last day of each calendar quarter (i.e., December 31, March 31, June 30 and September 30) and payable quarterly on January 15, April 15, July 15 and October 15 of each year the Debenture remains outstanding. However, if any payment of principal or interest becomes due on a day that is not a business day, we will make payment on the next succeeding business day. We anticipate closing the Rights Offering on or

about June 24, 2010, and closing the Public Offering on or about July 9, 2010 (unless it is extended) and consequently, we expect to begin making interest payments on the Debentures on October 15, 2010 for interest accrued on the Debentures through the period ending September 30, 2010.

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Q: Do the Debentures have a maturity date?

A: Yes. The Debentures will mature on the 10th anniversary of the date of issuance.

Q: Can you force me to redeem my Debenture?

A: Yes, we may call your Debenture for redemption at any and from time to time after January 1, 2014. Any such redemption by us will be for a price equal to the principal amount plus accrued interest to the date of redemption.

Q: Can I convert my Debenture and acquire shares of the Company's Common Stock?

A: Yes. The Debentures are convertible into shares of our Common Stock. Upon surrender of any or all of a Debenture along with a completed notice of conversion, a shareholder may convert that portion of the principal amount of the Debenture so surrendered into shares of Common Stock at \$3.50 per share if converted on or before July 1, 2013, at \$4.50 per share if converted during the period from July 2, 2013 to July 1, 2016, and at \$6.00 per share if converted during the period from July 2, 2016 to the Maturity Date. The number of shares of Common Stock issuable upon conversion of a Debenture is subject to certain adjustments, including subdivisions, redivisions, reductions, or combinations of our outstanding Common Stock.

For example, in the event we effectuate a two for one stock split and increase our outstanding Common Stock from 5,915,130 to 11,830,260, the conversion price would be proportionately reduced by one-half to \$1.50 per share if converted on or before July 1, 2013, to \$2.25 per share if converted during the period from July 2, 2013 to July 1, 2016, and to \$3.50 per share if converted during the period from July 2, 2016 to the Maturity Date. Similarly, if we effectuate a one for two reverse stock split and reduce our outstanding common stock from 5,915,130 to 2,957,565, the conversion price would be proportionately increased to \$6.00 per share if converted on or before July 1, 2013, to \$9.00 per share if converted during the period from July 2, 2013 to July 1, 2016, and to \$12.00 per share if converted during the period from July 2, 2016 to the Maturity Date.

We will not issue fractional shares of Common Stock or pay any cash adjustment in lieu of any fractional shares of Common Stock upon the conversion of a Debenture. Any fractions will be rounded to the nearest whole number with fractions of one-half or greater being rounded to the next higher whole number and fractions of less than one-half being rounded to the next lower whole number.

Under the terms of the Debentures, the Debentures are not convertible and you will be prohibited from converting your Debenture to the extent that you would be deemed or presumed to have acquired "control" of the Company or the Bank unless and until such time that you receive prior regulatory approval to acquire the shares subject to a proposed conversion or partial conversion. See "DESCRIPTION OF DEBENTURES – Conversion" herein.

Q: How do you anticipate making interest payments on the Debentures?

A: We believe that our liquid assets as of December 31, 2009 (i.e., cash and cash equivalents on an unconsolidated basis), when added to the \$3,000,000 we anticipate retaining and the potential tax benefits associated with the interest payments on the Debentures, will cover our annual dividend payment obligations on our outstanding Series A Preferred Stock (\$780,000) and the Company's annual interest payment obligations on all Debentures (\$720,000 before anticipated tax benefits associated therewith) through December 31, 2012. However, although the Bank is currently prohibited from paying dividends to the Company, we anticipate that the Bank will eventually generate net profits in an amount sufficient to pay dividends to the Company to cover both our dividend and interest payment obligations, and if not, we anticipate seeking regulatory approval to permit the Bank to pay dividends to

the Company to cover these payment obligations at such time. No assurances, however, can be provided that the Bank will generate sufficient net profits to permit the Bank to pay dividends to us to cover our dividend and interest payment obligations and, if not, no assurances can be provided that the Bank's regulators will approve any request to permit the Bank to pay sufficient dividends to the Company.

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Q: What if the Company misses an interest payment?

A: Interest payments on the Debentures will be calculated through the last day of each calendar quarter and are payable quarterly by January 15, April 15, July 15 and October 15 of each year. An event of default under the Debentures with respect to the failure to pay interest when due does not occur unless we fail to pay interest for two successive quarters and such failure does not result from our compliance with any law, regulation, policy, pronouncement, statement or action of any regulatory agency with authority over the Company or the Bank. In addition, we may defer interest payments without such deferral constituting an event of default under the Debentures if the Bank is prohibited from declaring and paying dividends to us in an amount sufficient to cover interest payments on all Debentures. Although the Bank is currently legally prohibited from paying dividends to the Company, the Company is committed to pay interest payments on the Debentures for the first interest period which is anticipated to be from the date of issuance through September 30, 2010. Therefore, there is the potential that we will not make interest payments on the Debentures if we are prohibited from doing so or the failure to make interest payments when due results from our compliance with any such law, regulation, policy, pronouncement, statement or action of any regulatory authority. In addition, during the period that we do not make any such interest payments, the missed interest payments will not accrue interest. Following the deferral period, all deferred interest will be payable without demand.

Q: What will you do with the proceeds raised from this Offering?

A: If all the Debentures offered by this prospectus are sold, we expect to receive approximately \$7,875,000 in net proceeds after deducting all costs and expenses associated with this Offering. We intend to use the net proceeds from the offering of the Debentures for general working capital and administrative expenses. While we intend to downstream \$4,875,000 of the net proceeds to the Bank to support its ongoing operations, and retain the remaining \$3,000,000 at the Company to permit the Company to meet its payment obligations under the Debentures and support the ongoing operations of the Company, our management will have broad discretion in the application of the net proceeds and shareholders and potential investors will be relying upon the judgment of our management regarding the application of these proceeds. We reserve the right to change the use of these proceeds. See "USE OF PROCEEDS" herein.

Q: What is a Right?

A: We will first offer the Debentures to our shareholders as of April 30, 2010, the Record Date for determining which shareholders will receive one non-transferable subscription Right to purchase \$1,000 in Debentures for every 750 shares, or a fraction thereof, held on the Record Date. We call this the "Basic Subscription Privilege." Debentures will only be issued in denominations of \$1,000 (and integral multiples thereof) in principal amount. Therefore, a holder of a Right may "round up" his, her or its shares to 750 shares (if the holder owns less than 750 shares) or to the next highest integral multiple of 750 (if the holder owns more than 750 shares) and subscribe to purchase a Debenture in a principal amount of \$1,000 for every 750 shares of Common Stock that results from this rounding-up procedure. We call this the "Rounding-Up Privilege." See "THE RIGHTS OFFERING – Rounding-Up Privileges" herein.

For example, if you own 100 shares of Common Stock on the Record Date, your Basic Subscription and Rounding-Up Privileges entitle you to "round-up" your shares to 750 and purchase one Debenture in the principal amount of \$1,000. Similarly, if you own 1,050 shares of Common Stock on the Record Date, your Basic Subscription and Rounding-Up Privileges entitle you to "round-up" your shares to 1,500 and purchase a Debenture in the principal amount of \$2,000.

Q: May Shareholders purchase shares in addition to the Basic Subscription Privilege?

A: If you hold a Right and fully exercise your Basic Subscription and Rounding-Up Privileges to subscribe to purchase the largest authorized Debenture denomination available to you, you may also subscribe for an unlimited amount of additional Debentures (subject to availability and rejection as described herein) pursuant to "Over-Subscription Privileges." You should indicate on the Subscription Certificate that you submit with respect to the exercise of your Right how much additional principal amount of Debentures (in denominations of \$1,000 or integral multiples of \$1,000) you wish to acquire pursuant to the Over-Subscription Privilege. See "THE RIGHTS OFFERING - Over-Subscription Privileges" herein for more information.

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Q: Why are we conducting the Offering?

A: We are conducting the Offering in order to provide the financing necessary to support the capital and growth of our Company and the Bank and for other general corporate purposes.

Q: How soon must I act?

A: If you hold a Right, your Right will expire at 5:00 p.m. Pacific time on June 24, 2010, unless we extend the Rights Offering Expiration Date in our discretion. In order to participate in the Rights Offering, you must ensure that the subscription agent actually receives all required documents and payments before that time and date.

Any Debentures remaining after conclusion of the Rights Offering will be offered to the general public and to all shareholders of the Company alike in the Public Offering. The Public Offering will commence on the date hereof and will expire on July 9, 2010, unless extended in our sole discretion for up to two additional 30-day periods, although we will not accept subscriptions for Debentures in the Public Offering until the Rights Offering has expired.

Q: Has the Board of Directors made a recommendation regarding this Offering?

A: Our Board of Directors does not make any recommendations about an investment in our Debentures or whether shareholders should exercise their Rights.

Q: What forms and payment are required to purchase shares?

A: A form of Subscription Certificate and a form of Subscription Agreement are included with this prospectus.

If you are shareholder and you hold a Right, please carefully read the Subscription Certificate and the instructions included therein on how to exercise your Right to subscribe for and to purchase the Debentures. The Subscription Certificate must be properly filled out and delivered to the subscription agent before the expiration of the Rights Offering with full payment for Debentures you wish to purchase.

If you are participating in the Public Offering, please carefully read the Subscription Agreement and the instructions included therein on how to subscribe for and to purchase the Debentures. The Subscription Agreement must be properly filled out and delivered to the subscription agent before expiration of the Public Offering with full payment for Debentures you wish to purchase.

See “THE OFFERING – Acceptable Forms of Payment When Subscribing for Debentures” herein for more information.

Q: What if a broker, bank or other nominee is the record holder of my shares?

A: If you hold your shares through a broker, bank or other nominee and you wish to purchase Debentures in the Rights Offering, please promptly contact the broker, bank or other entity holding your shares. Your broker or other nominee holder is the record holder of the shares you own and must either exercise the Subscription Certificate on your behalf for Debentures you wish to purchase or arrange for a Subscription Certificate issued in your name. We have requested all known brokers and banks to contact you for instructions on exercising your Right. See “THE RIGHTS OFFERING – Participation by Shareholders Whose Shares Are Held of Record by Nominees.”

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Q: May I transfer my Right?

A: No. You may not sell or transfer your subscription Right to anyone.

Q: Must I pay the Subscription Price in cash?

A: In order to participate in the Offering, you must timely pay for the Debentures you are purchasing by certified or cashier's check drawn on a U.S. bank, or personal check for which good funds are received before expiration of the Rights Offering or the expiration of the Public Offering, as applicable.

Q: Will my money be returned if the Offering is canceled?

A: Yes, but without any payment of interest.

Q: May I change or cancel my subscription after I send in the required forms?

A: No. Your election to exercise your Right in the Rights Offering or your subscription for Debentures in the Public Offering may not be revoked after it has been received by the subscription agent.

Q: Are there any limits on the principal amount of Debentures that I may purchase in the Rights Offering or in the Public Offering?

A: No. However, you should be aware that the Debentures may not be convertible as to you and you will be prohibited from converting your Debentures to the extent that you would be deemed or presumed to have acquired "control" of the Company or the Bank unless and until such time that you receive prior regulatory approval to acquire the shares subject to a proposed conversion or partial conversion. See "DESCRIPTION OF DEBENTURES – Conversion" herein.

Q: How do I know if I will acquire "control" of the Company or the Bank upon conversion of a Debenture?

A: Generally, the federal banking laws and regulations define "control" as the power, directly or indirectly, to direct the management or policies, or to vote 25% or more of any class of voting securities of a bank. If you are a bank holding company, you are deemed to have acquired "control" of the Company or the Bank if the shares issuable under the Debenture, if then convertible, taken together with all shares of our Common Stock then owned or controlled by you, results in you controlling more than 5% of the outstanding shares of any class of voting securities of our Company or the Bank. If you are an individual, bank, corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, or any other form of entity (other than a bank holding company), you are presumed to have acquired control if the shares issuable under the Debenture, if then convertible, taken together with all shares of our Common Stock then owned or controlled by you (including shares underlying securities convertible into our Common Stock), results in you controlling more than 10% of the outstanding shares of any class of voting securities of our Company or the Bank. In either case, the Debenture will not be convertible as to you and you will be prohibited from converting your Debentures to the extent that you would be deemed or presumed to have acquired "control" of the Company or the Bank without first obtaining regulatory approval. See "DESCRIPTION OF DEBENTURES – Conversion" herein.

Q: What are some of the significant risks of my investment in the Debentures?

A: You should carefully read and consider all risk factors detailed under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009 and the risk factors beginning on page 11 of the prospectus prior to investing

in the Debentures.

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Q: To whom may I direct questions or send forms and payment?

A: If you have other questions regarding the Company, the Bank or the Offering, you may call our information agent for the Offering, Georgeson Inc., 199 Water Street – 26th Floor, New York, New York 10038, at (866) 203-9357, Monday through Friday (except bank holidays), between 9:00 a.m. and 11:00 p.m., Eastern Time, and on Saturday between 10:00 am-4:00 p.m. Eastern Time.

You should return your subscription documents and payments to Computershare Trust Company, N.A., our subscription agent, at the address indicated in the instructions forwarded with this prospectus.

PROSPECTUS SUMMARY

This following summary consists of basic information about us and this Offering and is qualified in its entirety by information contained elsewhere or incorporated by reference in this prospectus. This summary is not intended to be a complete description of Community West Bancshares or a statement of all of the features of the Offering. You should carefully read the entire prospectus, including the “RISK FACTORS” section as well as the other documents to which we refer before deciding to invest in the Debentures. See “WHERE YOU CAN OBTAIN MORE INFORMATION” on page 40.

Community West Bancshares

Community West Bancshares (the “Community West”) was incorporated in the State of California on November 26, 1996, for the purpose of becoming a bank holding company. On December 31, 1997, Community West acquired a 100% interest in Community West Bank, National Association (formerly, Goleta National Bank) (the “Bank”). Effective that date, shareholders of the Bank became shareholders of Community West in a one-for-one exchange. Community West and the Bank are collectively referred to herein as the “Company,” “we” “us” or “our.”

Community West is a bank holding company and the Bank is its sole bank subsidiary. Community West provides management and shareholder services to the Bank. The Bank offers a range of commercial and retail financial services to professionals, small to mid-sized businesses and individual households. These services include various loan and deposit products and other financial services and products.

Our principal executive offices are located at 445 Pine Avenue, Goleta, California 93117. Our telephone number is (805) 692-5821.

The Offering

Securities Offered	We are offering up to \$8,000,000 in aggregate principal amount of our 9% Convertible Subordinated Debentures. The Debentures do not have the benefit of a sinking fund. See “DESCRIPTION OF DEBENTURES” herein.
Offering Price	100% of principal amount
Manner of Offering	We will offer the Debentures in a Rights Offering to holders of our Common Stock as of April 30, 2010, and thereafter to all shareholders and to the general public alike in the Public Offering.

Denominations

The Debentures will be offered in the principal amount of \$1,000, or any principal amount that is an integral multiple of \$1,000.

Minimum Investment

The minimum investment is \$1,000 in the principal amount of Debentures.

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Form of Investment	Investments in Debentures may be made by certified or cashier's check drawn on a U.S. bank, or by personal check. SEE "THE OFFERING – Acceptable Forms of Payment When Subscribing for Debentures" herein.
Rights Offering	If you are a shareholder as of the Record Date (i.e., you were a record holder of our Common Stock at the close of business on April 30, 2010), you will receive one non-transferable subscription Right. This Right will entitle you to purchase, subject to all of the terms and conditions included in this prospectus, \$1,000 in principal amount of Debentures for every 750 shares of Common Stock, or a fraction thereof, held by you as of the Record Date. We refer to this as the "Basic Subscription Privilege." See "THE RIGHTS OFFERING," herein.
Rounding-Up Privilege	Shareholders who hold a Right may "round-up" the number of shares of Common Stock owned on the Record Date to 750 if they own less than 750 shares on the Record Date, or to the next highest integral multiple of 750 if they owned more than 750 shares on the Record Date, and subscribe to purchase a Debenture in a principal amount of \$1,000 for every 750 shares of Common Stock that results from this rounding-up procedure. We refer to this as the "Rounding-Up Privilege." See "THE RIGHTS OFFERING – Rounding-Up Privileges" herein.
Over-Subscription Privilege	If you hold a Right and fully exercise your Basic Subscription and Rounding-Up Privileges to subscribe to purchase the largest authorized Debenture denomination available to you, you may also subscribe for an unlimited amount of additional Debentures (subject to availability and approval or rejection, in whole or in part, by the Board of Directors in its sole discretion, as described herein) pursuant to "Over-Subscription Privileges." See "THE RIGHTS OFFERING – Over-Subscription Privileges" herein.
Aggregate Amount of the Rights Offering	All Rights, in the aggregate, will entitle the holders thereof to subscribe to purchase an aggregate of approximately \$8,000,000 in principal amount of Debentures, ignoring the operation of the Rounding-Up Privileges. Subject to our Right to terminate the Offering, including the Rights Offering, for any reason prior to accepting any subscriptions, we intend to issue and sell up to \$8,000,000 in aggregate principal amount of Debentures pursuant to subscriptions timely received by the subscription agent pursuant to the exercise of Rights, including pursuant to the Rounding-Up Privileges and the Over-Subscription Privileges. There is no minimum principal amount of Debentures that must be subscribed for in order for the Offering to close.
Possible Increase in Size of Offering if Over-Subscribed	If, as a result of the exercise of the Rounding-Up Privilege, more than \$8,000,000 in principal amount of Debentures is subscribed to be purchased by Rights holders, we will issue and sell additional Debentures to cover all subscriptions for Debentures pursuant to the Rounding-Up Privilege (but not more than an additional \$800,000, for an aggregate total Offering not to exceed \$8,800,000 in principal amount) to satisfy all of the excess subscriptions. In addition, if, after all Rights holders have exercised their Basic Subscription and Rounding-Up Privileges, more than \$8,000,000 in principal amount of Debentures is subscribed to be purchased pursuant to the exercise of Over-Subscription Privileges or by investors in the Public Offering, we may, but are not obligated to, increase the

maximum principal amount of Debentures by up to \$800,000 for an aggregate total Offering not to exceed \$8,800,000.

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Transferability of Right	The Rights are not transferable.
Rights Offering Expiration	The Rights Offering will expire at 5:00 p.m., Pacific Time, on June 24, 2010, unless we decide, in our sole discretion, to extend the expiration date for the Rights Offering.
Public Offering	All Debentures remaining after the Rights Offering has expired will be offered to the general public and to all shareholders alike in the Public Offering. Although the Public Offering will commence at the same time as the Rights Offering, we will not accept subscriptions for the Debentures in the Public Offering prior to June 24, 2010, the date for the expiration of the Rights Offering.
Acceptance of Subscriptions	<p>Subscriptions for Debentures are not binding unless accepted by us. Subscriptions received in the Rights Offering will be rejected, in whole or in part, to the extent that subscriptions are received to purchase a dollar amount of Debentures that is in excess of the dollar amount that we have agreed to accept. We reserve the right, in our sole discretion, to reject any subscription received in the Public Offering in whole or in part.</p> <p>If we do not accept, in whole or in part, any particular subscription for Debentures, we will mail a refund to that subscriber in an amount equal to the purchase price for the Debentures as to which such subscription is not accepted. We will not pay any interest on funds submitted with subscriptions. All refunds will be mailed promptly after the expiration of the applicable subscription period. See “THE OFFERING – Return of Payments for Rejected Subscriptions” herein.</p>
Public Offering Expiration	The Public Offering and the Offering will expire at 5:00 p.m., Pacific Time, on July 9, 2010, unless extended for up to two additional 30-day periods, in our sole discretion and without notice.
No Revocation	Shareholders who exercise Rights in the Rights Offering and potential investors (and existing shareholders alike) who subscribe for Debentures in the Public Offering are not allowed to revoke or reduce the principal amount of Debentures subscribed for or receive from us a refund of monies paid.
Procedure for Exercising a Right or Subscribing for Debentures	To exercise a Right in the Rights Offerings or otherwise subscribe for any Debentures in the Public Offering, complete the applicable subscription document and deliver it to the subscription agent with full payment for the Debentures you elect to purchase. We must receive the proper forms and payments on or before the applicable expiration date. See “THE OFFERING – Subscription Procedures” herein.
Nominee Accounts	If you are a shareholder as of the Record Date and you wish to exercise your Right to subscribe for a Debenture and your Common Stock is held by a broker, dealer, custodian bank or other nominee, then you should promptly contact your broker, dealer, custodian bank or other nominee and request that they exercise the Right on your behalf. You may also contact the nominee and request that the nominee send a separate subscription agreement to you.
Plan of Distribution	

The Offering is being conducted on a best efforts basis by our directors and officers. The Offering is not underwritten, and we have not employed any brokers, dealers or agents to participate in the Offering. Debentures not purchased pursuant to the Rights Offering will be made available in the Public Offering to members of the general public and existing shareholders alike.

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Use of Proceeds

We intend to use the net proceeds from the offering of the Debentures for general working capital and administrative expenses. Our management will have broad discretion in the application of the net proceeds and shareholders and potential investors will be relying upon the judgment of our management regarding the application of these proceeds. If all the Debentures are sold, we anticipate downstreaming \$4,875,000 of the net proceeds from this Offering to the Bank and retaining the remaining \$3,000,000 at the Company to permit the Company to meet its payment obligations under the Debentures and to support the ongoing operations of the Company. Notwithstanding however, our Board of Directors reserves the right to change the use of these proceeds. See "USE OF PROCEEDS" herein.