

First California Financial Group, Inc.
Form DEFM14A
February 13, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

FIRST CALIFORNIA FINANCIAL GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Dear Stockholders of PacWest Bancorp:

On November 6, 2012, PacWest Bancorp, which we refer to as PacWest, entered into a merger agreement to acquire First California Financial Group, Inc., which we refer to as First California, in an all-stock transaction. If the merger agreement is approved and the merger is subsequently completed, First California will merge with and into PacWest, with PacWest as the surviving entity.

In the merger, each share of First California common stock owned by a First California stockholder will be converted into the right to receive a fraction of a share of PacWest common stock. The exchange ratio or the fraction of a PacWest share to be exchanged for each First California share will be based on the volume-weighted average share price of PacWest common stock for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals required under the merger agreement. If the average share price of PacWest common stock is more than \$20.00 and less than \$27.00, the exchange ratio will equal an amount calculated by dividing \$8.00 by the average share price of PacWest common stock. If the average share price of PacWest common stock is equal to or greater than \$27.00, the exchange ratio will equal 0.2963. If the average share price of PacWest common stock is less than or equal to \$20.00, the exchange ratio will equal 0.4000. A First California stockholder will receive any whole shares of PacWest common stock such holder is entitled to receive and cash in lieu of any fractional shares of PacWest common stock such holder is entitled to receive. The maximum number of shares of PacWest common stock issuable in the merger is 11,653,074.

As an example, based on the volume-weighted average share price of PacWest common stock of \$27.20 for the 20 consecutive trading days ending on February 11, 2013, the most recent day for which information was available prior to the printing and mailing of this document, the exchange ratio would have been 0.2963. **The share price of PacWest common stock will fluctuate, and the average share price for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals may be different than the average share price used to calculate the hypothetical exchange ratio in the example above. You should obtain current stock price quotations for PacWest common stock and First California common stock. PacWest common stock is traded on the NASDAQ Global Select Market under the symbol "PACW," and First California common stock is traded on the NASDAQ Global Market under the symbol "FCAL."**

We expect the merger to be generally tax free to First California stockholders for U.S. federal income tax purposes, except for taxes on cash received by First California stockholders in lieu of fractional PacWest shares.

PacWest and First California will each hold a special meeting of stockholders to consider the proposed merger and related matters. PacWest and First California cannot complete the proposed merger unless PacWest's stockholders vote to adopt the merger agreement and approve the issuance of PacWest common stock in connection with the merger. This letter is accompanied by the attached document, which our board of directors is providing to solicit your proxy to vote for adoption of the merger agreement and the issuance of PacWest common stock in connection with the merger.

The accompanying document is also being delivered to First California stockholders as PacWest's prospectus for its offering of PacWest common stock in connection with the merger, and as a proxy statement for the solicitation of proxies from First California stockholders to vote for the adoption of the merger agreement.

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Your vote is very important. To ensure your representation at the PacWest special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Whether or not you expect to attend the PacWest special meeting, please vote promptly. Submitting a proxy now will not prevent you from being able to vote in person at the PacWest special meeting. **The PacWest board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" adoption of the merger agreement and approval of the issuance of PacWest common stock in the merger and "FOR" any adjournment of the PacWest special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the preceding vote.**

This document provides you with detailed information about the proposed merger. It also contains or references information about PacWest and First California and certain related matters. You are encouraged to read this document carefully. **In particular, you should read the "Risk Factors" section beginning on page 34 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

Sincerely,

Matthew P. Wagner
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of the PacWest common stock in connection with the merger or the other transactions described in this document, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This document is dated February 12, 2013, and is first being mailed to stockholders of PacWest and First California on or about February 19, 2013.

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To the Stockholders of First California Financial Group, Inc.:

On November 6, 2012, PacWest Bancorp, which we refer to as PacWest, entered into a merger agreement to acquire First California Financial Group, Inc., which we refer to as First California, in an all-stock transaction. If the merger agreement is approved and the merger is subsequently completed, First California will merge with and into PacWest, with PacWest as the surviving entity.

In the merger, each share of First California common stock owned by a First California stockholder will be converted into the right to receive a fraction of a share of PacWest common stock. The exchange ratio or the fraction of a PacWest share to be exchanged for each First California share will be based on the volume-weighted average share price for PacWest common stock for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals required under the merger agreement. If the average share price of PacWest common stock is more than \$20.00 and less than \$27.00, the exchange ratio will equal an amount calculated by dividing \$8.00 by the average share price. If the average share price of PacWest common stock is equal to or greater than \$27.00, the exchange ratio will equal 0.2963. If the average share price of PacWest common stock is less than or equal to \$20.00, the exchange ratio will equal 0.4000. The maximum number of shares of PacWest common stock issuable in the merger is 11,653,074.

As an example, based on the volume-weighted average share price of PacWest common stock of \$27.20 for the 20 consecutive trading days ending on February 11, 2013, the most recent day for which information was available prior to the printing and mailing of this document, the exchange ratio would have been 0.2963. **The share price of PacWest common stock will fluctuate, and the average share price for the 20 consecutive trading days ending on the second full trading day prior to receipt of the last of the regulatory approvals may be different than the average share price used to calculate the hypothetical exchange ratio in the example above. You should obtain current stock price quotations for First California common stock and PacWest common stock. First California common stock is traded on the NASDAQ Global Market under the symbol "FCAL" and PacWest common stock is traded on the NASDAQ Global Select Market under the symbol "PACW."**

We expect the merger to be generally tax free to First California stockholders for U.S. federal income tax purposes, except for taxes on cash received by First California stockholders in lieu of fractional First California shares.

First California and PacWest will each hold a special meeting of stockholders to consider the proposed merger and related matters. PacWest and First California cannot complete the proposed merger unless First California's stockholders vote to adopt the merger agreement. This letter is accompanied by the attached document, which our board of directors is providing to solicit your proxy to vote for adoption of the merger agreement.

The accompanying document is also being delivered to First California stockholders as PacWest's prospectus for its offering of PacWest common stock in connection with the merger, and as a proxy statement for the solicitation of proxies from PacWest stockholders to vote for the adoption of the merger agreement and approval of the issuance of PacWest common stock in connection with the merger.

Your vote is very important. To ensure your representation at the First California special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Whether or not you expect to attend the First California special meeting, please vote

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promptly. Submitting a proxy now will not prevent you from being able to vote in person at the First California special meeting. **The First California board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" the adoption of the merger agreement, "FOR" the advisory (non-binding) proposal to approve specified compensation that may become payable to the named executive officers of First California in connection with the merger and "FOR" any adjournment of the First California special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the preceding vote.**

This document provides you with detailed information about the proposed merger. It also contains or references information about First California and PacWest and certain related matters. You are encouraged to read this document carefully. **In particular, you should read the "Risk Factors" section beginning on page 34 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

Sincerely,

Robert E. Gipson
Chairman of the Board

C. G. Kum
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of the PacWest common stock in connection with the merger or the other transactions described in this document, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This document is dated February 12, 2013, and is first being mailed to stockholders of First California and PacWest on or about February 19, 2013.

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WHERE YOU CAN FIND MORE INFORMATION

Both PacWest and First California file annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission, which we refer to as the SEC. You may read and copy any materials that either PacWest or First California files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, PacWest and First California file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from PacWest at www.pacwestbancorp.com under the "Public Filings" link or from First California by accessing First California's website at www.fcgroup.com under the "Investor Relations" tab and then under the heading "SEC Filings."

PacWest has filed a registration statement on Form S-4 of which this document forms a part. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that PacWest and First California have previously filed with the SEC. They contain important information about the companies and their financial condition. For further information, please see the section entitled "Incorporation of Certain Documents by Reference" beginning on page 132. These documents are available without charge to you upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below.

PacWest Bancorp
10250 Constellation Blvd., Suite 1640
Los Angeles, California 90067
Attention: Investor Relations
(310) 286-1144

First California Financial Group, Inc.
3027 Townsgate Road, Suite 300
Westlake Village, California 91361
Attention: Investor Relations
(805) 322-9655

To obtain timely delivery of these documents, you must request the information no later than March 13, 2013 in order to receive them before PacWest's and First California's respective special meetings of stockholders.

PacWest common stock is traded on the NASDAQ Global Select Market under the symbol "PACW," and First California common stock is traded on the NASDAQ Global Market under the symbol "FCAL."

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PACWEST BANCORP

**10250 CONSTELLATION BLVD., SUITE 1640
LOS ANGELES, CALIFORNIA 90067**

**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 20, 2013**

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of PacWest Bancorp, which we refer to as PacWest, will be held at The Jonathan Club, 850 Palisades Beach Road, Santa Monica, CA 90403, at 10:30 AM, Pacific time, on March 20, 2013, for the following purposes:

1. To adopt the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of November 6, 2012, by and between PacWest and First California, as such agreement may be amended from time to time, a copy of which is attached as Appendix A, and to approve the issuance of PacWest common stock to First California stockholders pursuant to the merger agreement, which we refer to as the PacWest Merger proposal; and
2. To approve one or more adjournments of the PacWest special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the PacWest Merger proposal, which we refer to as the PacWest Adjournment proposal.

PacWest will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The PacWest Merger proposal is described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The PacWest board of directors has set January 30, 2013 as the record date for the PacWest special meeting. Only holders of record of PacWest common stock at the close of business on January 30, 2013 will be entitled to notice of and to vote at the PacWest special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the PacWest special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of PacWest common stock.

Your vote is very important. To ensure your representation at the PacWest special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Whether or not you expect to attend the PacWest special meeting, please vote promptly. Submitting a proxy now will not prevent you from being able to vote in person at the PacWest special meeting.

The PacWest board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" the PacWest Merger proposal and "FOR" the PacWest Adjournment proposal (if necessary or appropriate).

BY ORDER OF THE BOARD OF DIRECTORS

Lynn M. Hopkins
Executive Vice President and Corporate Secretary

Los Angeles, California
February 12, 2013

PLEASE VOTE YOUR SHARES OF PACWEST COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL PACWEST INVESTOR RELATIONS AT (310) 286-1144.

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FIRST CALIFORNIA FINANCIAL GROUP, INC.

**3027 TOWNSGATE ROAD, SUITE 300
WESTLAKE VILLAGE, CALIFORNIA 91361**

**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 20, 2013**

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of First California Financial Group, Inc., which we refer to as First California, will be held at its corporate headquarters, 3027 Townsgate Road, Suite 300, Westlake Village, CA 91361 at 10:00 AM, Pacific time, on March 20, 2013, for the following purposes:

1. To adopt the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of November 6, 2012, by and between PacWest and First California, as such agreement may be amended from time to time, a copy of which is attached as Appendix A, which we refer to as the First California Merger proposal;
2. To approve, on an advisory (non-binding) basis, specified compensation that may become payable to the named executive officers of First California in connection with the merger, which we refer to as the First California Advisory (Non-Binding) Proposal on Specified Compensation; and
3. To approve one or more adjournments of the First California special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the First California Merger proposal, which we refer to as the First California Adjournment proposal.

First California will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The First California Merger proposal is described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The First California board of directors has set February 11, 2013 as the record date for the First California special meeting. Only holders of record of First California common stock at the close of business on February 11, 2013 will be entitled to notice of and to vote at the First California special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the First California special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of First California common stock.

Your vote is very important. To ensure your representation at the First California special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the First California special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the First California special meeting.

The First California board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" the First California Merger proposal, "FOR" the First California Advisory (Non-Binding) Proposal on Specified Compensation and "FOR" the First California Adjournment proposal (if necessary or appropriate).

BY ORDER OF THE BOARD OF DIRECTORS

Joseph N. Cohen
Corporate Secretary

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Westlake Village, California
February 12, 2013

PLEASE VOTE YOUR SHARES OF FIRST CALIFORNIA COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL FIRST CALIFORNIA INVESTOR RELATIONS AT (805) 322-9655.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS

The following are answers to certain questions that you may have regarding the special meetings. We urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q: WHAT IS THE MERGER?

A.

PacWest and First California have entered into a merger agreement, pursuant to which First California will merge with and into PacWest, with PacWest continuing as the surviving corporation, in a transaction which is referred to as the merger. A copy of the merger agreement is attached as Appendix A to this document. Simultaneously with the merger, First California Bank, a wholly owned subsidiary of First California, will merge with and into Pacific Western Bank, a wholly owned subsidiary of PacWest, with Pacific Western Bank being the surviving entity, which transaction is referred to as the bank merger. In order for us to complete the transaction we need not only the approval of our respective stockholders but the approval of both these mergers by the banking regulators of PacWest, First California, Pacific Western Bank and First California Bank.

Q: WHY AM I RECEIVING THIS JOINT PROXY STATEMENT/PROSPECTUS?

A.

Each of PacWest and First California is sending these materials to its stockholders to help them decide how to vote their shares of PacWest or First California common stock, as the case may be, with respect to the merger and other matters to be considered at the special meetings.

The merger cannot be completed unless PacWest stockholders adopt the merger agreement and approve the issuance of PacWest common stock in the merger and First California stockholders adopt the merger agreement. Each of PacWest and First California is holding a special meeting of its stockholders to vote on the proposals necessary to complete the merger. Information about these special meetings, the merger and the other business to be considered by stockholders at each of the special meetings is contained in this document.

This document constitutes both a joint proxy statement of PacWest and First California and a prospectus of PacWest. It is a joint proxy statement because each of the boards of directors of PacWest and First California is soliciting proxies using this document from their respective stockholders. It is a prospectus because PacWest, in connection with the merger, is offering shares of its common stock in exchange for outstanding shares of First California common stock in the merger.

Q: WHAT WILL FIRST CALIFORNIA STOCKHOLDERS RECEIVE IN THE MERGER?

A:

In the merger, each share of First California common stock owned by a First California stockholder will be converted into the right to receive a fraction of a share of PacWest common stock. The exchange ratio or the fraction of a PacWest share to be exchanged for each First California share will be based on the volume-weighted average share price for PacWest common stock for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals required under the merger agreement. If the average share price of PacWest common stock is more than \$20.00 and less than \$27.00, the exchange ratio will equal an amount calculated by dividing \$8.00 by the average share price. If the average share price of PacWest common stock is equal to or greater than \$27.00, the exchange ratio will equal 0.2963. If the average share price of PacWest common stock is less than or equal to \$20.00, the exchange ratio will equal 0.4000. A First California stockholder will receive any whole shares of PacWest

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common stock such holder is entitled to receive and cash in lieu of any fractional shares of PacWest common stock such holder is entitled to receive.

Q: WHAT HAPPENS TO FIRST CALIFORNIA RESTRICTED SHARES IN THE MERGER?

A:

In the merger, each share of restricted stock will, without any action on the part of the holder, become fully vested and be converted into the right to receive the merger consideration on the same terms of conversion as First California common stock, subject to any required tax withholding.

Q: WHAT HAPPENS TO FIRST CALIFORNIA STOCK OPTIONS IN THE MERGER?

A:

In the merger, each outstanding option to purchase shares of First California common stock, whether exercisable or unexercisable, will become fully vested without any action on the part of the holder of the option. Upon vesting, the option will be cancelled and the holder of the option will be entitled to receive, subject to any required tax withholding, an amount in cash equal to the excess (if any) of \$8.00 over the exercise price.

Q: WHEN WILL THE MERGER BE COMPLETED?

A:

PacWest and First California are working to complete the merger as soon as practicable. If the stockholders of First California adopt the merger agreement and the stockholders of PacWest adopt the merger agreement and approve the issuance of shares of PacWest stock in connection with the merger, the parties currently expect that the merger will be completed late in the first quarter of 2013. Neither PacWest nor First California can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals will be received. For further information, please see the section entitled "The Merger Agreement Conditions to the Merger" beginning on page 106.

Q: WHO IS ENTITLED TO VOTE?

A:

PacWest Special Meeting. Holders of record of PacWest common stock at the close of business on January 30, 2013, which is the date that the PacWest board of directors has fixed as the record date for the PacWest special meeting, are entitled to vote at the PacWest special meeting.

First California Special Meeting. Holders of record of First California common stock at the close of business on February 11, 2013, which is the date that the First California board of directors has fixed as the record date for the First California special meeting, are entitled to vote at the First California special meeting.

Q: WHAT CONSTITUTES A QUORUM?

A:

PacWest Special Meeting. The presence at the PacWest special meeting, in person or by proxy, of holders of a majority of the outstanding shares of PacWest common stock entitled to vote at the PacWest special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

First California Special Meeting. The presence at the First California special meeting, in person or by proxy, of holders of a majority of the outstanding shares of First California common stock entitled to vote at the First California special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

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Q: WHAT AM I BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?

A:

First California stockholders are being asked to vote on the following proposals:

- 1 to adopt the merger agreement, a copy of which is attached as Appendix A to this document, which is referred to as the First California Merger proposal;
- 2 to approve, on an advisory (non-binding) basis, specified compensation that may become payable to the named executive officers of First California in connection with the merger, which is referred to as the First California Advisory (Non-Binding) Proposal on Specified Compensation; and
- 3 to approve one or more adjournments of the First California special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the First California Merger proposal, which is referred to as the First California Adjournment proposal.

Stockholder approval of the First California Merger proposal is required for completion of the merger. First California will transact no other business at the First California special meeting, except for business properly brought before the First California special meeting or any adjournment or postponement thereof.

PacWest stockholders are being asked to vote on the following proposals:

- 1 to adopt the merger agreement, a copy of which is attached as Appendix A to this document, and to approve the issuance of PacWest common stock, par value \$0.01 per share, pursuant to the merger agreement, which is referred to as the PacWest Merger proposal; and
- 2 to approve one or more adjournments of the PacWest special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the PacWest Merger proposal, which is referred to as the PacWest Adjournment proposal.

Stockholder approval of the PacWest Merger proposal is required to complete the merger. PacWest will transact no other business at the PacWest special meeting, except for business properly brought before the PacWest special meeting or any adjournment or postponement thereof.

Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE FIRST CALIFORNIA SPECIAL MEETING?

A:

The First California Merger proposal: The affirmative vote of a majority of the outstanding shares of First California common stock entitled to vote is required to approve the First California Merger proposal.

The First California Advisory (Non-Binding) Proposal on Specified Compensation: Assuming a quorum is present, the affirmative vote of a majority of the shares of First California common stock represented (in person or by proxy) at the First California special meeting and entitled to vote on the proposal is required to approve the First California Advisory (Non-Binding) Proposal on Specified Compensation.

The First California Adjournment proposal: Assuming a quorum is present, the affirmative vote of a majority of the shares of First California common stock represented (in person or by proxy) at the First California special meeting and entitled to vote on the proposal is required to approve the First California Adjournment proposal.

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Q: WHAT WILL HAPPEN IF FIRST CALIFORNIA'S STOCKHOLDERS DO NOT APPROVE THE FIRST CALIFORNIA ADVISORY (NON-BINDING) PROPOSAL ON SPECIFIED COMPENSATION?

A: The vote on the First California Advisory (Non-Binding) Proposal on Specified Compensation is a vote separate and apart from the vote to approve the First California Merger proposal. You may vote for this proposal and against the First California Merger proposal, or vice versa. Because the vote on this proposal is advisory only, it will not be binding on First California or PacWest.

Q: WHAT DOES THE FIRST CALIFORNIA BOARD OF DIRECTORS RECOMMEND?

A: The First California board of directors recommends that First California stockholders vote "FOR" the First California Merger proposal, "FOR" the First California Advisory (Non-Binding) Proposal on Specified Compensation and "FOR" the First California Adjournment proposal (if necessary or appropriate).

Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE PACWEST SPECIAL MEETING?

A: *The PacWest Merger proposal:* The affirmative vote of a majority of the outstanding shares of PacWest common stock entitled to vote is required to approve the PacWest Merger proposal.

The PacWest Adjournment proposal: Assuming a quorum is present, the affirmative vote of a majority of the shares of PacWest common stock represented (in person or by proxy) at the PacWest special meeting and entitled to vote on the proposal is required to approve the PacWest Adjournment proposal.

Q: WHAT DOES THE PACWEST BOARD OF DIRECTORS RECOMMEND?

A: The PacWest board of directors recommends that PacWest stockholders vote "FOR" the PacWest Merger proposal and "FOR" the PacWest Adjournment proposal (if necessary or appropriate).

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

Q: HOW DO I VOTE?

A: If you are a stockholder of record of PacWest as of January 30, 2013, which is referred to as the PacWest record date, or a stockholder of First California as of February 11, 2013, which is referred to as the First California record date, you may submit your proxy before your respective company's special meeting in one of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

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You may also cast your vote in person at your respective company's special meeting. Please be advised that telephone and Internet voting facilities will close at 11:59 PM, Eastern Standard Time, on March 19, 2013.

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If your shares are held in "street name," through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. "Street name" stockholders who wish to vote at the meeting will need to obtain a proxy form from their broker, bank or other nominee.

Q: HOW MANY VOTES DO I HAVE?

A:

PacWest Stockholders. You are entitled to one vote for each share of PacWest common stock that you owned as of the record date. As of the close of business on January 30, 2013, there were approximately 35,722,628 outstanding shares of PacWest common stock. As of that date, approximately 4% of the outstanding shares of PacWest common stock were beneficially owned by the directors and executive officers of PacWest.

First California Stockholders. You are entitled to one vote for each share of First California common stock that you owned as of the record date. As of the close of business on February 11, 2013, there were approximately 29,247,710 outstanding shares of First California common stock. As of that date, approximately 11% of the outstanding shares of First California common stock were beneficially owned by the directors and executive officers of First California.

Q: WHEN AND WHERE ARE THE PACWEST AND FIRST CALIFORNIA SPECIAL MEETINGS OF STOCKHOLDERS?

A:

The special meeting of PacWest stockholders will be held at The Jonathan Club, 850 Palisades Beach Road, Santa Monica, CA 90403 at 10:30 AM, Pacific time, on March 20, 2013. Subject to space availability, all PacWest stockholders as of the PacWest record date, or their duly appointed proxies, may attend the PacWest special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 10:00 AM, Pacific time.

The special meeting of First California stockholders will be held at 3027 Townsgate Road, Suite 300, Westlake Village, CA 91361 at 10:00 AM, Pacific time, on March 20, 2013. Subject to space availability, all First California stockholders as of the First California record date, or their duly appointed proxies, may attend the First California special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 9:30 AM, Pacific time.

Q: IF MY SHARES ARE HELD IN "STREET NAME" BY A BROKER, BANK OR OTHER NOMINEE, WILL MY BROKER, BANK OR OTHER NOMINEE VOTE MY SHARES FOR ME?

A:

If your shares are held in "street name" in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to PacWest or First California or by voting in person at your respective company's special meeting unless you provide a "legal proxy," which you must obtain from your broker, bank or other nominee.

Under the rules of the NASDAQ, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NASDAQ determines to be "non-routine" without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the PacWest special meeting and the First California special meeting are such "non-routine" matters. Broker non-votes occur when a broker or nominee

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is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

Assuming a quorum is present, if you are a First California stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the First California Merger proposal, which broker non-votes will have the same effect as a vote "AGAINST" such proposal;

your broker, bank or other nominee may not vote your shares on the First California Adjournment proposal or the First California Advisory (Non-Binding) Proposal on Specified Compensation, which broker non-votes will have no effect on the vote count for such proposals.

Assuming a quorum is present, if you are a PacWest stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on the PacWest Merger proposal, which broker non-votes will have the same effect as a vote "AGAINST" such proposal.

Q: WHAT IF I DO NOT VOTE OR ABSTAIN?

A:

For purposes of each of the PacWest special meeting and the First California special meeting, assuming a quorum is present, an abstention occurs when a stockholder attends the applicable special meeting in person and does not vote or returns a proxy with an "abstain" vote.

Assuming a quorum is present, if you are a PacWest stockholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the PacWest Merger proposal, it will have the same effect as a vote cast "AGAINST" the PacWest Merger proposal. If you respond with an "abstain" vote on the PacWest Merger proposal, your proxy will have the same effect as a vote cast "AGAINST" the PacWest Merger proposal.

Assuming a quorum is present, if you are a First California stockholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the First California Merger proposal, it will have the same effect as a vote cast "AGAINST" the First California Merger proposal. If you respond with an "abstain" vote on the First California Merger proposal, your proxy will have the same effect as a vote cast "AGAINST" the First California Merger proposal.

Assuming a quorum is present at each of the PacWest special meeting and the First California special meeting, if you as a PacWest stockholder or a First California stockholder, as applicable, respond with an "abstain" vote, or if you are present in person but do not vote, your proxy will have the same effect as a vote cast "AGAINST" the advisory (non-binding) proposal on specified compensation that may become payable to the named executive officers of First California in connection with the merger and the adjournment proposal.

Q: WHAT WILL HAPPEN IF I RETURN MY PROXY OR VOTING INSTRUCTION CARD WITHOUT INDICATING HOW TO VOTE?

A:

If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the PacWest common stock represented by your proxy will be voted as recommended by the PacWest board of directors with respect to that proposal or the First California common stock represented by your proxy will be voted as recommended by the First California board of directors with respect to that proposal. Unless a PacWest stockholder or a First California stockholder, as applicable, checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters relating to the PacWest special meeting or First California special meeting, as applicable.

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Q: MAY I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTION CARD?

A:

Yes. You may change your vote at any time before your proxy is voted at the PacWest or First California special meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of PacWest or First California, as applicable;

by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;

by sending a completed proxy card bearing a later date than your original proxy card; or

by attending the PacWest or First California special meeting, as applicable, and voting in person.

If you choose any of the first three methods, you must take the described action such that the notice, internet vote or proxy card, as applicable, is received no later than the beginning of the applicable special meeting.

If your shares are held in an account at a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

Q: DO I NEED IDENTIFICATION TO ATTEND THE PACWEST OR FIRST CALIFORNIA MEETING IN PERSON?

A:

Yes. Please bring proper identification, together with proof that you are a record owner of PacWest or First California common stock, as the case may be. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned shares of PacWest or First California common stock, as applicable, on the record date.

Q: ARE FIRST CALIFORNIA STOCKHOLDERS ENTITLED TO APPRAISAL RIGHTS?

A:

No. Under Delaware law, First California stockholders are not entitled to appraisal rights in connection with the merger.

Q: WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO FIRST CALIFORNIA STOCKHOLDERS?

The merger is intended to qualify, and the obligation of PacWest and First California to complete the merger is conditioned upon the receipt of legal opinions from their respective counsel to the effect that the merger will qualify, as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. In addition, in connection with the filing of the registration statement of which this document is a part, each of Wachtell, Lipton, Rosen & Katz and Skadden, Arps, Slate, Meagher & Flom LLP has delivered an opinion to PacWest and First California, respectively, to the same effect.

Accordingly, based on the opinions delivered in connection herewith, you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of PacWest common stock.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, please see the section entitled "Material United States Federal Income Tax Consequences of the Merger" beginning on page 113.

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The consequences of the merger to any particular stockholder will depend on that stockholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

Q: WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

A:

If the merger is not completed, First California stockholders will not receive any consideration for their shares of First California common stock in connection with the merger. Instead, First California will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Global Market. Under specified circumstances each of First California and PacWest may be required to pay the other party a fee with respect to the termination of the merger agreement, as described under the section entitled "The Merger Agreement Termination; Termination Fee" beginning on page 107.

Q: SHOULD FIRST CALIFORNIA STOCKHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?

A:

No. First California stockholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, an election form and transmittal materials, with instructions for their completion, will be provided to First California stockholders under separate cover and the stock certificates should be sent at that time.

Q: WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS ABOUT THE PROXY MATERIALS OR VOTING?

A:

If you are a PacWest stockholder and have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this document or the enclosed proxy card, you should contact PacWest Investor Relations at (310) 286-1144.

If you are a First California stockholder and have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this document or the enclosed proxy card, you should contact First California Investor Relations at (805) 322-9655.

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SUMMARY

This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which we refer before you decide how to vote with respect to the merger-related proposals. In addition, we incorporate by reference important business and financial information about First California and PacWest into this document. For a description of this information, please see the section entitled "Incorporation of Certain Documents by Reference" beginning on page 133. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled "Where You Can Find More Information" in the forepart of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.

Unless the context otherwise requires, throughout this document, "PacWest" refers to PacWest Bancorp, "First California" refers to First California Financial Group, Inc. and "we," "us" and "our" refers collectively to PacWest and First California. Also, we refer to the proposed merger of First California with and into PacWest Bancorp as the "merger," the proposed merger of First California Bank with and into Pacific Western Bank as the "bank merger" and the Agreement and Plan of Merger, dated as of November 6, 2012, by and between PacWest and First California as the "merger agreement."

The Merger and the Merger Agreement (pages 53 and 95)

The terms and conditions of the merger are contained in the merger agreement, which is attached to this document as Appendix A. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

Under the terms of the merger agreement, First California will merge with and into PacWest with PacWest as the surviving corporation.

Merger Consideration (page 53)

Each share of First California common stock owned by a First California stockholder will be converted into the right to receive a fraction of a share of PacWest common stock. The exchange ratio or the fraction of a PacWest share to be exchanged for each First California share will be based on the volume-weighted average share price for PacWest common stock for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals required under the merger agreement. If the average share price of PacWest common stock is more than \$20.00 and less than \$27.00, the exchange ratio will equal an amount calculated by dividing \$8.00 by the average share price. If the average share price of PacWest common stock is equal to or greater than \$27.00, the exchange ratio will equal 0.2963. If the average share price of PacWest common stock is less than or equal to \$20.00, the exchange ratio will equal 0.4000. A First California stockholder will receive any whole shares of PacWest common stock such holder is entitled to receive and cash in lieu of any fractional shares of PacWest common stock such holder is entitled to receive.

Based on the volume-weighted average PacWest share price of \$22.52 for the 20 consecutive trading days ending on November 6, 2012, the last trading day before the announcement of the merger, the exchange ratio would have been 0.3553. Based on the volume-weighted average PacWest share price of \$27.20 for the 20 consecutive trading days ending on February 11, 2013, the most recent day for which information was available prior to the printing and mailing of this document, the exchange ratio would have been 0.2963. **The share price of PacWest common stock will fluctuate, and the average share price for the 20 consecutive trading days ending on the second full trading day prior to the receipt of the last of the regulatory approvals may be different than the average used to calculate the hypothetical exchange ratio in the examples above.**

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As described below under the section entitled "The Merger Agreement Voting and Support Agreements" beginning on page 108, holders of the Series A Convertible Perpetual Preferred Stock, par value \$0.01 per share, of First California, which we refer to as the First California Series A Preferred Stock, have agreed to convert their First California Series A Preferred Stock into shares of First California common stock prior to the consummation of the merger. PacWest and First California expect to redeem the outstanding Non-Cumulative Perpetual Preferred Stock, Series C, par value \$0.01 per share, of First California, which we refer to as the First California Series C Preferred Stock, for an aggregate of \$25,000,000 (plus accrued dividends) in cash in accordance with its terms immediately prior to the consummation of the merger.

At the effective time, each outstanding option to purchase shares of First California common stock, whether exercisable or unexercisable, will become fully vested without any action on the part of the holder of the option. Upon vesting, each option will be cancelled and the holder of the option will be entitled to receive, subject to any required tax withholding, an amount in cash equal to the excess (if any) of \$8.00 over the exercise price.

At the effective time, each share of restricted stock of First California will, without any action on the part of the holder, become fully vested and be converted into the right to receive the merger consideration on the same terms of conversion as First California common stock, subject to any required tax withholding.

Recommendation of the First California Board of Directors (page 40)

After careful consideration, the First California board of directors recommends that First California stockholders vote "**FOR**" the First California Merger proposal, "**FOR**" the First California Advisory (Non-Binding) Proposal on Specified Compensation and "**FOR**" the First California Adjournment proposal (if necessary or appropriate).

Each of the directors of First California has entered into a voting and support agreement with PacWest and First California, pursuant to which they have agreed to vote "**FOR**" the First California Merger proposal and "**FOR**" the First California Adjournment proposal (if necessary or appropriate). For more information regarding the voting and support agreements, please see the section entitled "The Merger Agreement Voting and Support Agreements" beginning on page 108.

For a more complete description of First California's reasons for the merger and the recommendation of the First California board of directors, please see the section entitled "Recommendation of the First California Board of Directors and Reasons for the Merger" beginning on page 60.

Recommendation of the PacWest Board of Directors (page 46)

After careful consideration, the PacWest board of directors recommends that PacWest stockholders vote "**FOR**" the PacWest Merger proposal and "**FOR**" the PacWest Adjournment proposal (if necessary or appropriate).

Each of the directors of PacWest has entered into a voting and support agreement with PacWest and First California, pursuant to which they have agreed to vote "**FOR**" the PacWest Merger proposal and "**FOR**" the PacWest Adjournment proposal (if necessary or appropriate). For more information regarding the voting and support agreements, please see the section entitled "The Merger Agreement Voting and Support Agreements" beginning on page 108.

For a more complete description of PacWest's reasons for the merger and the recommendations of the PacWest board of directors, please see the section entitled "Recommendation of the PacWest Board of Directors and Reasons for the Merger" beginning on page 71.

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Opinion of Financial Advisors (pages 65 and 72)

First California Financial Advisor

On November 6, 2012, Keefe, Bruyette & Woods, Inc., which we refer to as KBW, First California's financial advisor in connection with the merger, rendered an oral opinion to First California's board of directors, which was subsequently confirmed in a written opinion dated the same date that, as of such date and subject to and based on the qualifications and assumptions set forth in its written opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the common stockholders of First California.

The full text of KBW's opinion, dated November 6, 2012, is attached as Appendix E to this document. You should read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in rendering its opinion.

KBW's opinion is addressed to First California's board of directors and the opinion is not a recommendation as to how any stockholder of First California should vote with respect to the merger or any other matter or as to any action that a stockholder should take with respect to the merger.

The opinion addresses only the fairness, from a financial point of view, of the exchange ratio in the proposed merger to the common stockholders of First California, and does not address the underlying business decision of First California to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may be available to First California. KBW will receive a fee for its services, portions of which have been paid, and a significant portion of which will be payable upon consummation of the merger.

For further information, please see the section entitled "The Merger Opinion of First California's Financial Advisor" beginning on page 65.

PacWest Financial Advisor

Sandler O'Neill provided a fairness opinion to the PacWest board of directors in connection with the merger. At the November 4, 2012 meeting at which PacWest's board of directors considered and approved the merger agreement, Sandler O'Neill delivered to the board its oral opinion, which was subsequently confirmed in writing, that, as of such date, the exchange ratio was fair to PacWest from a financial point of view.

For further information, please see the section entitled "The Merger Opinion of PacWest's Financial Advisor" beginning on page 72.

First California Special Meeting of Stockholders (page 40)

The First California special meeting will be held at 10:00 AM, Pacific time, on March 20, 2013, at its corporate headquarters, located at 3027 Townsgate Road, Suite 300, Westlake Village, CA 91361. At the First California special meeting, First California stockholders will be asked to approve the First California Merger proposal, the First California Advisory (Non-Binding) Proposal on Specified Compensation and the First California Adjournment proposal.

First California's board of directors has fixed the close of business on February 11, 2013 as the record date for determining the holders of First California common stock entitled to receive notice of and to vote at the First California special meeting. Only holders of record of First California common stock at the close of business on the First California record date will be entitled to notice of and to vote at the First California special meeting and any adjournment or postponement thereof. As of the First California record date, there were 29,247,710 shares of First California common stock outstanding and entitled to vote at the First California special meeting held by approximately 1,700 holders of

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record. Each share of First California common stock entitles the holder to one vote on each proposal to be considered at the First California special meeting. Each of the directors of First California has entered into a voting and support agreement with PacWest and First California, pursuant to which they have agreed, solely in their capacity as stockholders of First California, to vote all of their shares of First California common stock in favor of the First California Merger proposal and the First California Adjournment proposal to be presented at the special meeting. As of the record date, directors and executive officers of First California owned and were entitled to vote 3,304,685 shares of First California common stock, representing approximately 11% of the shares of First California common stock outstanding on that date. In addition, each of the holders of the First California Series A Preferred Stock has entered into a voting and support agreement with PacWest and First California, pursuant to which they have agreed to convert all of their shares of First California Series A Preferred Stock into shares of common stock of First California not later than ten business days prior to the closing of the merger and to vote all of their shares of First California common stock in favor of the First California Merger proposal and the First California Adjournment proposal to be presented at the special meeting. The stockholders that are party to the voting and support agreements described in this paragraph beneficially own in the aggregate approximately 22% of the outstanding shares of First California common stock as of the record date (including shares of First California common stock issuable upon conversion of First California Series A Preferred Stock). First California currently expects that First California's executive officers will vote their shares in favor of the proposals to be presented at the special meeting, although none of them has entered into any agreements obligating them to do so (other than one executive officer who is also a director). As of the record date, PacWest beneficially held 1,094,231 shares of First California's common stock.

Approval of the First California Merger proposal requires the affirmative vote of a majority of the outstanding shares of First California common stock entitled to vote on the proposal. Approval of the First California Advisory (Non-Binding) Proposal on Specified Compensation and the First California Adjournment proposal each require the affirmative vote of a majority of the shares of First California common stock represented (in person or by proxy) at the First California special meeting and entitled to vote on the proposal.

PacWest Special Meeting of Stockholders (page 46)

The PacWest special meeting will be held at 10:30 AM, Pacific time, on March 20, 2013, at The Jonathan Club, located at 850 Palisades Beach Road, Santa Monica, CA 90403. At the PacWest special meeting, PacWest stockholders will be asked to approve the PacWest Merger proposal and the PacWest Adjournment proposal.

PacWest's board of directors has fixed the close of business on January 30, 2013 as the record date for determining the holders of PacWest common stock entitled to receive notice of and to vote at the PacWest special meeting. As of the PacWest record date, there were 35,722,628 shares of PacWest common stock outstanding and entitled to vote at the PacWest special meeting held by approximately 3,764 holders of record. Each share of PacWest common stock entitles the holder to one vote on each proposal to be considered at the PacWest special meeting. As of the record date, directors and executive officers of PacWest owned and were entitled to vote 1,035,191 shares of PacWest common stock, representing approximately 4% of the shares of PacWest common stock outstanding on that date (excluding 3,846,153 shares held by CapGen Capital Group II, LP, of which John W. Rose, a director of PacWest, is a principal). Each of the directors of PacWest has entered into a voting and support agreement with PacWest and First California, pursuant to which they have agreed, solely in their capacity as stockholders of PacWest, to vote all of their shares of PacWest common stock in favor of the PacWest Merger proposal and the PacWest Adjournment proposal to be presented at the special meeting. PacWest currently expects that PacWest's executive officers will vote their shares in favor of the proposals to be presented at the special meeting, although none of them has entered into any

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agreements obligating them to do so (other than those executive officers who are also directors). As of the record date, First California beneficially held 100 shares of PacWest's common stock.

Approval of the PacWest Merger proposal requires the affirmative vote of a majority of the outstanding shares of PacWest common stock entitled to vote on the proposal. Approval of the PacWest Adjournment proposal requires the affirmative vote of a majority of the shares of PacWest common stock represented (in person or by proxy) at the PacWest special meeting and entitled to vote on the proposal.

First California's Directors and Executive Officers Have Certain Interests in the Merger (page 85)

Certain of First California's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of First California's stockholders. First California's executive officers will be eligible, upon a qualifying termination of employment, to: receive severance payments under their respective change in control agreements (or, in the case of Mr. Kum, under his employment agreement); for Messrs. Kum and Santarosa, receive payments over a period of years (17 years for Mr. Kum and 15 years for Mr. Santarosa) under each such individual's salary continuation agreement; and, for Messrs. Kum and Santarosa, designate a beneficiary under the executive's split dollar life insurance agreement prior to having achieved a retirement age. In addition, each of First California's executive officers and directors hold equity awards, the treatment of which is described below under "Treatment of First California Stock Options and Shares of Restricted Stock". Under the terms of the merger agreement, two individuals will be designated by the board of directors of First California to join the board of directors of PacWest. The designated individuals must be approved by the Compensation, Nominating and Governance Committee of the board of directors of PacWest. PacWest and First California currently expect to select such individuals shortly prior to the consummation of the transaction. The members of the First California board of directors were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that First California stockholders approve the First California Merger proposal. These interests are described in more detail under the section entitled "The Merger Interests of First California Directors and Executive Officers in the Merger" beginning on page 85.

PacWest's Directors and Executive Officers Have Certain Interests in the Merger (page 84)

Certain of PacWest's directors have financial interests in the merger that are different from, or in addition to, the interests of PacWest stockholders. John M. Eggemeyer, the chairman of the board of directors of PacWest, is the chief executive officer of Castle Creek Financial, LLC, which we refer to as Castle Creek Financial. On May 18, 2011, PacWest and Castle Creek Financial renewed a contract pursuant to which Castle Creek Financial acts as PacWest's financial advisor, and pursuant to the terms of that contract, PacWest will pay Castle Creek Financial a fee upon the consummation of the merger. Castle Creek Financial performed various customary financial advisory services for PacWest in connection with entering into the merger agreement, including assisting PacWest in structuring the financial aspects of the transaction, financial modeling and statistical analysis and assistance in negotiation of the financial terms of the merger agreement. In the event of an acquisition of another financial institution by PacWest for greater than \$20 million, the contract under which Castle Creek Financial performs these services provides for a fee of \$200,000 plus 0.65% of the amount of the transaction value in excess of \$20 million, subject to reduction for certain expenses. Castle Creek Financial is also entitled to reimbursement of its reasonable expenses incurred on behalf of PacWest. Pursuant to these terms, PacWest currently estimates that Castle Creek Financial will be paid a fee of approximately \$1.3 million, or 0.49% of the transaction value, in connection with the merger (based on the current number of shares of First California common stock outstanding and the current stock price of PacWest common stock) and will receive expense reimbursement that is currently expected to be less than \$50,000. The members of the PacWest board of directors were aware of and considered these

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interests, among other matters, when they approved the merger agreement and recommended that PacWest stockholders approve the PacWest Merger proposal. These interests are described in more detail under the section entitled "The Merger Interests of PacWest Directors in the Merger" beginning on page 83.

Treatment of First California Stock Options and Shares of Restricted Stock (page 54)

First California Stock Options. At the effective time, each outstanding option to purchase shares of First California common stock, whether exercisable or unexercisable, will become fully vested without any action on the part of the holder of the option. Upon vesting, each option will be cancelled and the holder of the option will be entitled to receive, subject to any required tax withholding, an amount in cash equal to the excess (if any) of \$8.00 over the exercise price.

Restricted Shares. At the effective time, each share of restricted stock of First California will, without any action on the part of the holder, become fully vested and be converted into the right to receive the merger consideration on the same terms of conversion as First California common stock, subject to any required tax withholding.

Regulatory Approvals Required for the Merger (page 89)

Completion of the merger and the bank merger are subject to various regulatory approvals, including approvals from the California Department of Financial Institutions, which we refer to as the CDFI, the Federal Deposit Insurance Corporation, which we refer to as the FDIC, and the Board of Governors of the Federal Reserve System, which we refer to as Federal Reserve Board. The merger and the bank merger are also subject to the consent of the FDIC to the transfer of the shared-loss agreements between First California and the FDIC without adverse modification or amendment to any such agreements and being without payment by or cost to PacWest. Notifications and/or applications requesting approval for the merger or for the bank merger may also be submitted to other federal and state regulatory authorities and self-regulatory organizations. We have filed, or are in the process of filing notices and applications to obtain the necessary regulatory approvals. Although we currently believe we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to or have a material adverse effect on PacWest after the completion of the merger. The regulatory approvals to which completion of the merger and bank merger are subject are described in more detail under the section entitled "The Merger Regulatory Approvals Required for the Merger" beginning on page 89.

Conditions to the Merger (page 106)

The obligations of PacWest and First California to complete the merger are each subject to the satisfaction or waiver of the following conditions:

approval of the PacWest Merger proposal by the PacWest stockholders and approval of the First California Merger proposal by the First California stockholders;

the absence of any statute, rule, regulation, judgment, decree, injunction or other order that would prohibit or make illegal the completion of the merger;

the receipt of all regulatory approvals required from the Federal Reserve Board, the FDIC and the CDFI, and the consent of the FDIC to the transfer of the shared-loss agreements between First California and the FDIC, subject to the limitations set forth in the merger agreement;

the effectiveness of the registration statement on Form S-4, of which this document is a part, and the absence of a stop order or proceeding initiated or threatened by the SEC for that purpose;

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approval for the listing on the NASDAQ Global Select Market of the PacWest common stock to be issued in the merger;

the accuracy of the representations and warranties of each party as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be expected to result in a material adverse effect on the other party;

performance in all material respects by each party of the obligations required to be performed by it at or prior to the closing date of the merger; and

receipt by each party of an opinion of its tax counsel as to certain tax matters.

No Solicitation (page 101)

Under the terms of the merger agreement, First California has agreed not to solicit, initiate or knowingly encourage inquiries or proposals with respect to, or engage or participate in any discussions or negotiations concerning, or provide any confidential or nonpublic information or data to, any person relating to, any acquisition proposal. Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances, in response to an unsolicited bona fide acquisition proposal which, in the good faith judgment of the First California board of directors, is or is reasonably likely to result in a proposal which is superior to the merger with PacWest, and the First California board of directors determines in good faith (and after consultation with First California's outside counsel) that failure to take such actions would reasonably be expected to be a violation of its fiduciary duties under applicable law, First California may furnish information regarding First California and participate in discussions and negotiations with such third party.

Termination; Termination Fee (page 107)

PacWest and First California may mutually agree at any time to terminate the merger agreement without completing the merger, even if the First California stockholders have adopted the merger agreement and the PacWest stockholders have adopted the merger agreement and approved the issuance of PacWest common stock in connection with the merger.

The merger agreement may also be terminated and the merger abandoned at any time prior to the effective time of the merger, as follows:

by either PacWest or First California, if a required governmental approval is denied by final, non-appealable action, or if a governmental entity has issued a final, non-appealable injunction or decree permanently enjoining or otherwise prohibiting or making illegal the closing of the merger;

by either PacWest or First California, if the merger has not closed by the close of business on August 6, 2013, unless the failure to close by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the merger agreement;

by either PacWest or First California, if there is a breach by the other party that would, individually or in the aggregate with other breaches by such party, result in the failure of a closing condition, unless the breach is cured before the earlier of August 6, 2013 and 30 days following written notice of the breach (provided that the terminating party is not then in material breach of the merger agreement);

by either PacWest or First California, if (1) the First California stockholders have not adopted the merger agreement at the First California special meeting or any adjournment or postponement thereof, or (2) the PacWest stockholders have not adopted the merger agreement and approved the issuance of PacWest common stock to the stockholders of First California in

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connection with the merger at the PacWest special meeting or any adjournment or postponement thereof; or

by PacWest, if, the First California board of directors (1) submits the merger agreement to its stockholders without a recommendation for approval, or otherwise withdraws or materially and adversely modifies its recommendation for approval (or discloses an intention to do so), or recommends to its stockholders an alternative acquisition proposal other than the merger agreement, or (2) materially breaches its obligation to call a stockholder meeting, to prepare and mail to its stockholders this document, to include in this document its recommendation that its stockholders vote in favor of the adoption of the merger agreement, or to refrain from soliciting alternative acquisition proposals.

First California may be required to pay PacWest a termination fee of \$10 million in certain circumstances. PacWest may be required to pay First California a termination fee of \$5 million in certain other circumstances. For more information, please see the section entitled "The Merger Agreement Termination; Termination Fee" beginning on page 107.

Material United States Federal Income Tax Consequences of the Merger (page 113)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Assuming the merger qualifies as such a reorganization, a stockholder of First California generally will not recognize any gain or loss upon receipt of PacWest common stock in exchange for First California common stock in the merger, except with respect to cash received in lieu of a fractional share of PacWest common stock. It is a condition to the completion of the merger that PacWest and First California receive written opinions from their respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Tax matters are very complicated and the tax consequences of the merger to each First California stockholder may depend on such stockholder's particular facts and circumstances. First California stockholders are urged to consult their tax advisors to understand fully the tax consequences to them of the merger. For more information, please see the section entitled "Material United States Federal Income Tax Consequences of the Merger" beginning on page 113.

Litigation Related to the Merger (page 112)

On November 20, 2012, a purported stockholder of First California filed a lawsuit in connection with the merger. Captioned *Paul Githens v. C.G. Kum, et al.*, Case No. BC496018, the suit was filed in the Superior Court of the State of California, Los Angeles County, against First California, its directors, and PacWest. For more information, please see the section entitled "Litigation Related to the Merger" beginning on page 112.

Comparison of Stockholders' Rights (page 127)

The rights of First California stockholders who continue as PacWest stockholders after the merger will be governed by the certificate of incorporation and bylaws of PacWest rather than by the certificate of incorporation and bylaws of First California. For more information, please see the section entitled "Comparison of Stockholders' Rights" beginning on page 127.

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The Parties (page 51)

PacWest Bancorp

10250 Constellation Blvd., Suite 1640
Los Angeles, California 90067
Phone: (310) 286-1144

PacWest Bancorp is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, which we refer to as the BHC Act. As of September 30, 2012, PacWest had consolidated total assets of approximately \$5.5 billion, total loans of approximately \$3.6 billion, deposits of approximately \$4.8 billion and stockholders' equity of approximately \$0.6 billion. PacWest had 991 full-time equivalent employees as of September 30, 2012.

First California Financial Group, Inc.

3027 Townsgate Road, Suite 300
Westlake Village, California 91361
Phone: (805) 322-9655

First California Financial Group, Inc. is a bank holding company registered under the BHC Act. As of September 30, 2012, First California had consolidated total assets of approximately \$2.0 billion, total loans of approximately \$1.2 billion, deposits of approximately \$1.6 billion and stockholders' equity of approximately \$0.2 billion. First California had 285 full-time equivalent employees as of September 30, 2012.

Risk Factors (page 34)

Before voting at the PacWest or First California special meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, including the risk factors set forth in the section entitled "Risk Factors" beginning on page 31 or described in PacWest's and First California's Annual Reports on Form 10-K for the year ended on December 31, 2011 and other reports filed with the SEC, which are incorporated by reference into this joint proxy statement/prospectus. Please see "Where You Can Find More Information" beginning on page v.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR PACWEST**

The following table summarizes consolidated financial results achieved by PacWest for the periods and at the dates indicated and should be read in conjunction with PacWest's consolidated financial statements and the notes to the consolidated financial statements contained in reports that PacWest has previously filed with the SEC. Historical financial information for PacWest can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 and its Annual Report on Form 10-K for the year ended December 31, 2011. Please see the section entitled "Where You Can Find More Information" beginning on page v for instructions on how to obtain the information that has been incorporated by reference. Financial amounts as of and for the nine months ended September 30, 2012 and 2011 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), and management of PacWest believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2012 and 2011 indicate results for any future period.

	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
(In thousands, except per share amounts and percentages)							
Results of Operations(1):							
Interest income	\$ 222,413	\$ 224,371	\$ 295,284	\$ 290,284	\$ 269,874	\$ 287,828	\$ 350,981
Interest expense	(15,549)	(25,503)	(32,643)	(40,957)	(53,828)	(68,496)	(85,866)
Net interest income	206,864	198,868	262,641	249,327	216,046	219,332	265,115
Provision for credit losses:							
Non-covered loans and leases	12,000	(13,300)	(13,300)	(178,992)	(141,900)	(45,800)	(3,000)
Covered loans	(3,514)	(9,148)	(13,270)	(33,500)	(18,000)		
Total provision for credit losses	8,486	(22,448)	(26,570)	(212,492)	(159,900)	(45,800)	(3,000)
Net interest income after provision for credit losses	215,350	176,420	236,071	36,835	56,146	173,532	262,115
FDIC loss sharing income, net	(4,048)	5,109	7,776	22,784	16,314		
Other noninterest income	17,863	18,063	23,651	20,454	22,604	24,427	32,920
Gain on acquisition					66,989		
Goodwill write-off						(761,701)	
Non-covered OREO costs, net	(3,834)	(5,296)	(7,010)	(12,310)	(21,569)	(2,218)	(105)
Covered OREO costs, net	(7,242)	(3,440)	(3,666)	(2,460)	(1,753)		
Other noninterest expense	(157,061)	(127,788)	(169,317)	(174,033)	(155,882)	(142,016)	(142,160)
Earnings (loss) before income tax (expense) benefit	61,028	63,068	87,505	(108,730)	(17,151)	(707,976)	152,770
Income tax (expense) benefit	(24,119)	(26,247)	(36,801)	46,714	7,801	(20,089)	(62,444)
Net earnings (loss)	\$ 36,909	\$ 36,821	\$ 50,704	\$ (62,016)	\$ (9,350)	\$ (728,065)	\$ 90,326
Per Common Share Data:							
Earnings (loss) per share (EPS):							
Basic	\$ 1.00	\$ 0.99	\$ 1.37	\$ (1.77)	\$ (0.30)	\$ (26.81)	\$ 3.08
Diluted	\$ 1.00	\$ 0.99	\$ 1.37	\$ (1.77)	\$ (0.30)	\$ (26.81)	\$ 3.08
Dividends declared	\$ 0.54	\$ 0.03	\$ 0.21	\$ 0.04	\$ 0.35	\$ 1.28	\$ 1.28
Book value per share(2)	\$ 15.61	\$ 14.48	\$ 14.66	\$ 13.06	\$ 14.47	\$ 13.18	\$ 40.65
Tangible book value per share(2)	\$ 13.06	\$ 12.91	\$ 13.14	\$ 11.06	\$ 13.52	\$ 11.78	\$ 11.88
Shares outstanding(2)	37,420	37,259	37,254	36,672	35,015	28,516	28,002
Average shares outstanding:							
Basic EPS	35,674	35,472	35,491	35,108	31,899	27,177	28,572
Diluted EPS	35,674	35,472	35,491	35,108	31,899	27,177	28,591
Balance Sheet Data:							
Total assets	\$ 5,538,502	\$ 5,493,891	\$ 5,528,237	\$ 5,529,021	\$ 5,324,079	\$ 4,495,502	\$ 5,179,040
Investment securities	1,398,134	1,310,118	1,372,464	929,056	474,129	155,359	133,537

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Loans held for sale								63,565
Non-covered loans and leases, net of unearned income(3)	3,050,891	2,893,637	2,807,713	3,161,055	3,707,383	3,987,891	3,949,218	

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	At or For the Nine Months Ended September 30,			At or For the Year Ended December 31,			
	2012	2011	2011	2010	2009	2008	2007
(In thousands, except per share amounts and percentages)							
Allowance for credit losses on non-covered loans and leases(3)	75,012	96,535	93,783	104,328	124,278	68,790	61,028
Covered loans, net	567,396	761,059	703,023	908,576	621,686		
FDIC loss sharing asset	72,640	89,197	95,187	116,352	112,817		
Goodwill	79,592	39,141	39,141	47,301			761,990
Core deposit and customer relationship intangibles	15,899	19,251	17,415	25,843	33,296	39,922	43,785
Deposits	4,787,348	4,554,396	4,577,453	4,649,698	4,094,569	3,475,215	3,245,146
Borrowings	17,996	225,000	225,000	225,000	542,763	450,000	612,000
Subordinated debentures	108,250	129,347	129,271	129,572	129,798	129,994	138,488
Stockholders' equity	584,086	539,468	546,203	478,797	506,773	375,726	1,138,352
Performance Ratios:							
Stockholders' equity to total assets ratio	10.55%	9.82%	9.88%	8.66%	9.52%	8.36%	21.98%
Tangible common equity ratio	8.98%	8.85%	8.95%	7.44%	8.95%	7.54%	7.60%
Loans to deposits ratio	75.58%	80.25%	76.70%	87.52%	105.73%	114.75%	121.70%
Net interest margin	5.53%	5.35%	5.26%	5.02%	4.79%	5.30%	6.34%
Efficiency ratio(4)	76.19%	61.49%	61.21%	64.53%	55.66%	59.17%	47.73%
Return on average assets	0.90%	0.90%	0.92%	(1.14)%	(0.19)%	(15.43)%	1.73%
Return on average equity	8.78%	9.81%	9.92%	(12.56)%	(1.93)%	(106.28)%	7.66%
Average equity to average assets	10.26%	9.17%	9.32%	9.10%	10.06%	14.52%	22.55%
Dividend payout ratio	53.29%	2.96%	15.04%	(5)	(5)	(5)	41.56%
Tier 1 leverage capital ratio(6)	10.26%	9.96%	10.42%	8.54%	10.85%	10.50%	11.06%
Tier 1 risk-based capital ratio(6)	14.91%	14.70%	15.97%	12.68%	14.31%	10.69%	10.67%
Total risk-based capital ratio(6)	16.18%	15.98%	17.25%	13.96%	15.58%	11.95%	11.92%
Asset Quality:							
Non-covered nonaccrual loans and leases(3)	\$ 36,985	\$ 59,968	\$ 58,260	\$ 94,183	\$ 240,167	\$ 63,470	\$ 22,473
Non-covered OREO	37,333	48,260	48,412	25,598	43,255	41,310	2,736
Non-covered nonperforming assets	\$ 74,318	\$ 108,228	\$ 106,672	\$ 119,781	\$ 283,422	\$ 104,780	\$ 25,209
Asset Quality Ratios:							
Non-covered nonaccrual loans and leases to non-covered loans and leases, net of unearned income(3)	1.21%	2.07%	2.07%	2.98%	6.48%	1.59%	0.57%
Non-covered nonperforming assets to non-covered loans and leases, net of unearned income, and OREO(3)	2.41%	3.68%	3.73%	3.76%	7.56%	2.60%	0.64%
Allowance for credit losses to non-covered nonaccrual loans and leases	202.8%	161.0%	161.0%	110.8%	51.8%	108.4%	271.6%
Allowance for credit losses to non-covered loans and leases, net of unearned income	2.46%	3.34%	3.34%	3.30%	3.35%	1.72%	1.55%
Net charge-offs (annualized) to average non-covered loans and leases	0.31%	0.94%	0.81%	5.94%	2.22%	0.96%	0.07%
GAAP to Non-GAAP Reconciliations:							
Stockholders' equity	\$ 584,086	\$ 539,468	\$ 546,203	\$ 478,797	\$ 506,773	\$ 375,726	\$ 1,138,352
Less: Intangible assets	95,491	58,392	56,556	73,144	33,296	39,922	805,775
Tangible common equity	\$ 488,595	\$ 481,076	\$ 489,647	\$ 405,653	\$ 473,477	\$ 335,804	\$ 332,577
Total assets	\$ 5,538,502	\$ 5,493,891	\$ 5,528,237	\$ 5,529,021	\$ 5,324,079	\$ 4,495,502	\$ 5,179,040
Less: Intangible assets	95,491	58,392	56,556	73,144	33,296	39,922	805,775
Tangible assets	\$ 5,443,011	\$ 5,435,499	\$ 5,471,681	\$ 5,455,877	\$ 5,290,783	\$ 4,455,580	\$ 4,373,265
Equity to assets ratio	10.55%	9.82%	9.88%	8.66%	9.52%	8.36%	21.98%
Tangible common equity ratio(7)	8.98%	8.85%	8.95%	7.44%	8.95%	7.54%	7.60%
Book value per share	\$ 15.61	\$ 14.48	\$ 14.66	\$ 13.06	\$ 14.47	\$ 13.18	\$ 40.65
Tangible book value per share(8)	\$ 13.06	\$ 12.91	\$ 13.14	\$ 11.06	\$ 13.52	\$ 11.78	\$ 11.88
Shares outstanding	37,420	37,259	37,254	36,672	35,015	28,516	28,002

- (1) Operating results of acquired companies are included from the respective acquisition dates.

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- (2) Includes 1,718,019 shares and 1,762,870 shares at September 30, 2012 and 2011, respectively, and 1,675,730 shares, 1,230,582 shares, 1,095,417 shares, 1,309,586 shares and 861,269 shares at December 31, 2011, 2010, 2009, 2008, and 2007, respectively, of unvested restricted stock outstanding.
- (3) During 2010, PacWest executed two sales of non-covered adversely classified loans totaling \$398.5 million that included a total of \$128.1 million in nonaccrual loans.
- (4) The 2009 efficiency ratio includes the \$67.0 million gain from the Affinity acquisition. Excluding this gain, the efficiency ratio would be 70.29%. The 2008 efficiency ratio excludes the goodwill write-off. Including the goodwill write-off, the efficiency ratio would be 371.65%.
- (5) Not meaningful.
- (6) Capital ratios presented are for PacWest Bancorp consolidated.
- (7) Calculated as tangible common equity divided by tangible assets.
- (8) Calculated as tangible common equity divided by shares outstanding.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR FIRST CALIFORNIA

The following table summarizes consolidated financial results achieved by First California for the periods and at the dates indicated and should be read in conjunction with First California's consolidated financial statements and the notes to the consolidated financial statements contained in reports that First California has previously filed with the SEC. Historical financial information for First California can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 and its Annual Report on Form 10-K for the year ended December 31, 2011. Please see the section entitled "Where You Can Find More Information" beginning on page v for instructions on how to obtain the information that has been incorporated by reference. Financial amounts as of and for the nine months ended September 30, 2012 and 2011 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), and management of First California believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2012 and 2011 indicate results for any future period.

	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,					2007(2)	
	2012	2011	2011	2010	2009	2008			
(In thousands, except per share amounts and percentages)									
Income	\$ 57,801	\$ 54,246	\$ 72,598	\$ 59,350	\$ 64,941	\$ 63,235	\$ 65,750		
Expense	(7,395)	(10,348)	(13,104)	(14,654)	(19,887)	(22,453)	(25,506)		
	50,406	43,898	59,494	44,696	45,054	40,782	40,244		
			2008	250,000	50	73,150	0	629,165	117,539
	2008	216,250	0	73,150	0	202,444	2,432	494,276	
	2008	59,242	0			578,400	565,608	1,203,250	

(1) The amounts reported for Messrs. Toeldte, McNutt, Strenge, and Warren represent salaries paid from the date of the closing of the Acquisition on February 22, 2008, through December 31, 2008. The amount reported for Mr. Lane represents salary paid from April 30, 2008 (the date he joined the company), through December 31, 2008. The amount reported for Mr. Hewitt represents salary paid from the date of the closing of the Acquisition on February 22, 2008, through May 2, 2008 (the date his employment with the company was terminated). These amounts include amounts deferred under the company's Savings Plan and Deferred Compensation Plan. The company's Savings Plan is a defined contribution plan intended to be qualified under Section 401(a) of the Internal Revenue Code that contains a cash or deferred arrangement meeting the requirements of Section 401(k) of the code. The company's Deferred Compensation Plan is a nonqualified savings plan offered to key employees.

For further information on the company's Deferred Compensation Plan, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis* *Other Compensation and Benefit Plans, Deferred Compensation*

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(2) The amount reported for Mr. Lane represents a signing bonus he received when he joined the company on April 30, 2008. The amount reported for Mr. Strenge represents a safety award.

(3) On May 2, 2008, Messrs. Toeldte, McNutt, and Lane were granted, at no cost, 975,100; 213,400; and 254,000 restricted stock shares, respectively, under the Boise Inc. Incentive and Performance Plan. Also on May 2, 2008, Messrs. Strenge and Warren were each granted, at no cost, 107,000 restricted stock units under the Boise Inc. Incentive and Performance Plan. The amounts reported for these grants reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008, in accordance with SFAS No. 123(R), *Share-Based Payment*.

For further information on these awards, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Long-Term Incentive Compensation and Compensation Tables Grants of Plan-Based Awards Table, Outstanding Equity Awards at Fiscal Year-End Table, Option Exercises and Stock Vested Table, and Severance Tables*.

(4) On April 30, 2008, the Compensation Committee approved the 2008 short-term incentive award criteria for Messrs. Toeldte, McNutt, Lane, Strenge, and Warren pursuant to the Boise Inc. Incentive and Performance Plan. No payments were made to these Named Executive Officers under these 2008 awards, because the goals and objectives were not met.

For further information on these 2008 short-term incentive awards, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Short-Term Incentive Compensation and Compensation Tables Grants of Plan-Based Awards Table and Severance Tables*.

(5) Amounts disclosed in the *Change in Pension Value and Nonqualified Deferred Compensation Earnings* column include the following:

Name	Year	Change in Pension Value ^(a)	Nonqualified Deferred Compensation Earnings ^(b)
Jason G. Weiss	2008	\$	\$
Alexander Toeldte	2007		
Robert M. McNutt	2008		767
Jeffrey P. Lane	2008	130,693	
Robert E. Strenge	2008		232
Robert A. Warren	2008	629,165	
Miles A. Hewitt	2008	202,444	
	2008	578,400	

(a) The amounts reported for Messrs. McNutt, Strenge, Warren, and Hewitt reflect the actuarial increase in the present value of their benefits under all of the company's pension plans using interest rate and mortality rate assumptions consistent with those used in the company's financial statements and include amounts such officers may not be currently entitled to receive because such amounts are not vested. For further information on the valuation method and all material assumptions applied in quantifying these amounts, please

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refer to the company's 2008 Annual Report on Form 10-K, Item 8. Notes to Consolidated Financial Statements, Footnote 14, *Retirement and Benefit Plans*. Messrs. Weiss, Toeldte, and Lane were not eligible to participate in the company's pension plans.

Prior to the Acquisition, Messrs. Strenge and Hewitt were participants in the Boise Cascade Supplemental Early Retirement Plan for Executive Officers (the Boise Cascade SERP) which, like the company's SERP, provided unreduced early retirement benefits for eligible officers. The Boise Cascade SERP also provided an offset for amounts payable from a predecessor company's plan so that only a portion of the benefit was payable from Boise Cascade. Upon the closing of the Acquisition, the Boise Cascade SERP obligations (and its predecessor company's) were extinguished. Accordingly, Messrs. Strenge and Hewitt's SERP benefits became the company's sole obligation, resulting in a substantial increase in the reported *Change in Pension Value* for 2008 for these two Named Executive Officers.

For further information on the company's pension plans, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Pension Benefits and Compensation Tables Pension Benefits Table*.

(b)

The amounts reported for Messrs. Toeldte and Lane reflect the above-market portion of the interest they earned on their deferred compensation. Messrs. McNutt, Strenge, Warren, and Hewitt elected not to participate in the company's Deferred Compensation Plan during 2008. Mr. Weiss was not eligible to participate in the company's Deferred Compensation Plan.

For further information on the company's Deferred Compensation Plan, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Deferred Compensation Plan and Compensation Tables Nonqualified Deferred Compensation Table*.

(6)

Amounts disclosed in the *All Other Compensation* column include the following:

Name	Year	Company-Matching Contributions to Savings Plan ^(a)	Company-Matching Contributions to Deferred Compensation Plan ^(a)	Company-Paid Portion of Executive Officer Life Insurance ^(b)	Reportable Perquisites ^(c)
Jason G. Weiss	2008	\$	\$	\$	\$ 0
	2007				0
Alexander Toeldte	2008	0	42,918	300	14,141
Robert M. McNutt	2008	1,964	0	300	
Jeffrey P. Lane	2008	0	13,775	354	51,814
Robert E. Strenge	2008	0	0	8,771	108,768
Robert A. Warren	2008	1,598	0	834	
Miles A. Hewitt	2008	0	0	8,849	556,759

(a)

The company's Savings Plan is a defined contribution plan intended to be qualified under Section 401(a) of the Internal Revenue Code that contains a cash or deferred arrangement meeting the requirements of Section 401(k) of the Code. The

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company's Deferred Compensation Plan is a nonqualified savings plan offered to key employees. Participants in the Deferred Compensation Plan may choose to have matching contributions made under

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the Deferred Compensation Plan in lieu of receiving matching contributions under the Savings Plan. Mr. Weiss was not eligible to participate in the company's Savings Plan or Deferred Compensation Plan.

For further information on the company's Deferred Compensation Plan, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Deferred Compensation Plan and Compensation Tables Nonqualified Deferred Compensation Table*.

(b)

Mr. Weiss was not eligible to participate in the company's elected officer life insurance plans.

(c)

The company did not provide Mr. Weiss with any perquisites in 2008 or 2007. The only perquisites provided to Messrs. McNutt and Warren in 2008 were financial counseling services, which costs are not reflected because the total amount for each officer did not exceed \$10,000.

On May 2, 2008, Mr. Hewitt stepped down from his position as senior vice president, Paper. The severance payment of \$544,695 paid to Mr. Hewitt consisted of \$527,000 (an amount equal to Mr. Hewitt's annual base salary and his target annual incentive award) and \$17,695 (the value of Mr. Hewitt's unused and accrued time off). For further information on additional benefits Mr. Hewitt received upon his termination of employment, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Agreements With, and Potential Payments to, Named Executive Officers*.

None of the Named Executive Officers had personal use of company-paid aircraft during 2008.

The reportable perquisites for our Named Executive Officers consisted of the following:

Name	Year	Nonbusiness Memberships	Financial Counseling	Legal Fees	Relocation Expenses	Severance Payments
Jason G. Weiss	2008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	2007	0	0	0	0	0
Alexander Toeldte	2008	4,028	10,000	113	0	0
Robert M. McNutt	2008	0		0	0	0
Jeffrey P. Lane	2008	4,080	3,347	0	44,387	0
Robert E. Strenge	2008	0	1,911	0	106,857	0
Robert A. Warren	2008	0		0	0	0
Miles A. Hewitt	2008	0	9,522	2,542	0	544,695

Table of Contents**Grants of Plan-Based Awards Table**

The following table presents information concerning each grant of a non-equity and equity award made to Messrs. Toeldte, McNutt, Lane, Streng, and Warren in 2008 under the Boise Inc. Incentive and Performance Plan. No payouts were made to these Named Executive Officers under the 2008 non-equity incentive plan awards, because the goals and objectives were not met.

Name	Grant Date	Compen- sation Committee Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Stock and Option Awards (\$)(3)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Jason G. Weiss 2008 Non-Equity Award			\$	\$	\$				
2008 Equity Award									\$
Alexander Toeldte 2008 Non-Equity Award		4/30/08	226,875	756,251	1,701,565				
2008 Equity Award	5/2/08	4/30/08				288,500	975,100	975,100	2,398,780
Robert M. McNutt 2008 Non-Equity Award		4/30/08	64,886	216,288	486,648				
2008 Equity Award	5/2/08	4/30/08				63,200	213,400	213,400	525,130
Jeffrey P. Lane 2008 Non-Equity Award		4/30/08	46,312	154,375	347,344				
2008 Equity Award	5/2/08	4/30/08				75,200	254,000	254,000	624,966
Robert E. Streng 2008 Non-Equity Award		4/30/08	58,500	195,000	438,750				
	5/2/08	4/30/08				31,700	107,000	107,000	263,341

2008 Equity Award							
Robert A. Warren							
2008 Non-Equity Award							
		4/30/08	48,669	162,229	365,016		
2008 Equity Award							
	5/2/08	4/30/08			31,700	107,000	107,000 263,341
Miles A. Hewitt							
2008 Non-Equity Award							
2008 Equity Award							

(1) Reflects possible 2008 non-equity incentive plan award payouts for these Named Executive Officers under the Boise Inc. Incentive and Performance Plan. *Threshold*, *Target*, and *Maximum* payouts are based on compensation (base salary, holiday pay, and vacation pay) actually paid during the 2008 calendar year for services rendered to Boise and its predecessor company, Boise Cascade, L.L.C. It is possible to have a zero payout if the award criteria are not met.

For further information on the terms of these 2008 non-equity incentive plan awards, please refer to the sections of this Proxy Statement entitled *Executive Compensation*, *Compensation Discussion and Analysis*, *Short-Term Incentive Compensation* and *Compensation Tables*, *Summary Compensation Table* and *Severance Tables*.

(2) The *Threshold* amounts reported are the time-vesting portion of the 2008 equity incentive plan awards and assume these Named Executive Officers remain employed with the company until they vest on February 28, 2011. The *Target* (amount payable if the specified performance targets are reached) and *Maximum* (maximum payout possible) amounts reported represent

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both the time-vesting and performance-vesting portions of the 2008 equity incentive plan awards and assume the 2008 awards vest in full.

For further information on the terms of these 2008 equity incentive plan awards, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis – Long-Term Incentive Compensation and Compensation Tables – Summary Compensation Table, Outstanding Equity Awards at Fiscal Year-End Table, Option Exercises and Stock Vested Table, and Severance Tables.*

- (3) Values reported for the 2008 equity incentive plan awards reflect the grant date fair value of each equity award computed in accordance with SFAS No. 123(R), *Share-Based Payment*.

Outstanding Equity Awards at Fiscal Year-End Table

The following table presents information concerning the 2008 restricted stock and restricted stock unit awards made to Messrs. Toeldte, McNutt, Lane, Strenge, and Warren under the Boise Inc. Incentive and Performance Plan that had not vested as of December 31, 2008.

Name	Stock Awards	
	Equity Incentive Plan Awards: Number of Unearned Shares, Units, Or Other Rights That Have Not Vested (#) ⁽¹⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) ⁽²⁾
Jason G. Weiss		\$
Alexander Toeldte	975,100	419,293
Robert M. McNutt	213,400	91,762
Jeffrey P. Lane	254,000	109,220
Robert E. Strenge	107,000	46,010
Robert A. Warren	107,000	46,010
Miles A. Hewitt		

- (1) For further information on the vesting terms of these 2008 equity incentive plan awards, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis – Long-Term Incentive Compensation.*

- (2) The values reported reflect the number of unvested shares or units held by each of the Named Executive Officers as of December 31, 2008, multiplied by the company's closing stock price on December 31, 2008 (\$0.43 per share).

Option Exercises and Stock Vested Table

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None of the 2008 restricted stock and restricted stock unit awards made to Messrs. Toeldte, McNutt, Lane, Strenge, and Warren under the Boise Inc. Incentive and Performance Plan vested during 2008.

Table of Contents**Pension Benefits Table**

The following table presents the actuarial present value of accumulated benefits payable to Messrs. McNutt, Strenge, Warren, and Hewitt, including the number of years of service credited to each of them, under the company's Salaried Pension Plan, SUPP, and SERP. For further information on the valuation method and all material assumptions applied in quantifying these amounts, please refer to the company's 2008 Annual Report on Form 10-K, Item 8. Notes to Consolidated Financial Statements, Footnote 14, *Retirement and Benefit Plans*. Messrs. McNutt, Strenge, Warren, and Hewitt did not receive any payments under any of the company's pension plans during 2008. Messrs. Weiss, Toeldte, and Lane were not eligible to participate in the company's pension plans.

For further information on the company's pension plans, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Pension Benefits and Compensation Tables Summary Compensation Table*.

Name	Plan Name	Number of Years Credited Service (#)⁽¹⁾	Present Value of Accumulated Benefit (\$)
Jason G. Weiss	Salaried Pension Plan		\$
	SUPP		
	SERP		
Alexander Toeldte	Salaried Pension Plan		
	SUPP		
	SERP		
Robert M. McNutt	Salaried Pension Plan	24.0	313,817
	SUPP	24.0	155,640
	SERP ⁽²⁾		
Jeffrey P. Lane	Salaried Pension Plan		
	SUPP		
	SERP		
Robert E. Strenge	Salaried Pension Plan	21.0	328,000
	SUPP	21.0	247,447
	SERP ⁽²⁾	21.0	725,432
Robert A. Warren	Salaried Pension Plan	26.3	531,548
	SUPP	26.3	68,834
	SERP ⁽²⁾		
Miles A. Hewitt	Salaried Pension Plan	26.3	337,139
	SUPP	26.3	262,570
	SERP ⁽²⁾	26.3	695,139

(1) Number of years credited service for Messrs. McNutt, Strenge, Warren, and Hewitt include amounts attributable to their employment with OfficeMax Incorporated (formerly Boise Cascade Corporation) prior to Madison Dearborn Partners' acquisition of the forest products assets from OfficeMax on October 29, 2004, and their employment with Boise Cascade, L.L.C.

(2)

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Messrs. McNutt and Warren were not eligible to participate in the SERP. The value reported for Mr. Strenge assumes he remains employed with the company until age 55 and becomes vested in the SERP. On May 2, 2008, Mr. Hewitt stepped down from his position as senior vice president, Paper. In connection with his departure from the company, the Compensation Committee approved the entry into a severance arrangement with Mr. Hewitt that included, among other things, a nonqualified pension under the SERP beginning January 1, 2014.

Table of Contents**Nonqualified Deferred Compensation Table**

Messrs. Toeldte and Lane were the only Named Executive Officers who elected to participate in the company's Deferred Compensation Plan in 2008. Messrs. Toeldte and Lane did not have any withdrawals or distributions under the plan during 2008. Mr. Weiss was not eligible to participate in the company's Deferred Compensation Plan.

For further information on the company's Deferred Compensation Plan, please refer to the sections of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Deferred Compensation Plan and Compensation Tables Summary Compensation Table*.

Name	Executive Contributions in Last FY (\$) ⁽¹⁾	Registrant Contributions in Last FY (\$) ⁽²⁾	Aggregate Earnings in Last FY (\$) ⁽³⁾	Aggregate Balance at Last FYE (\$)
Jason G. Weiss	\$	\$	\$	\$
Alexander Toeldte	36,000	25,200	1,910	63,110
Robert M. McNutt				
Jeffrey P. Lane	13,775	9,643	563	23,981
Robert E. Streng				
Robert A. Warren				
Miles A. Hewitt				

(1) These amounts are included in the 2008 *Salary* column of the *Summary Compensation Table*.

(2) These amounts are included in the 2008 *All Other Compensation* column of the *Summary Compensation Table*.

(3) The above-market portions of these amounts are included in the 2008 *Change in Pension Value and Nonqualified Deferred Compensation Earnings* column of the *Summary Compensation Table*.

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Severance Tables

The following tables present an estimate of the compensation the company would have been required to pay Messrs. Toeldte, McNutt, Lane, Streng, and Warren in the event of termination of these employees with the company due to:

Voluntary termination with good reason or involuntary termination without cause;

Involuntary termination due to change in control;

Involuntary termination due to restructuring;

For-cause termination or voluntary termination without good reason; or

Disability or death.

The compensation shown assumes termination was effective as of December 31, 2008. The compensation the company would actually be required to pay these officers would only be determinable at the time of separation.

For further information on the severance agreements the company entered into with Messrs. Toeldte, McNutt, Lane, Streng, and Warren, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Agreements With, and Potential Payments to, Named Executive Officers*.

For information on the compensation the company paid Mr. Hewitt upon his termination of employment on May 2, 2008, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Discussion and Analysis Other Compensation and Benefit Plans, Agreements With, and Potential Payments to, Named Executive Officers and Compensation Tables Summary Compensation Table and Pension Benefits Table*.

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Alexander Toeldte
President and Chief Executive Officer

Benefits	Voluntary Termination With Good Reason or Involuntary Termination Without Cause ⁽¹⁾	Involuntary Termination Due to Change in Control ⁽¹⁾	Involuntary Termination Due to Restructuring ⁽¹⁾	For-Cause Termination or Voluntary Termination Without Good Reason ⁽¹⁾	Disability or Death ⁽¹⁾
Base Salary (2 × Base Salary of \$800,000)	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 0	\$ 0
Incentive and Performance Plan (2 × Target 100% Award)	1,600,000	1,600,000	1,600,000	0	0
Value of Accelerated Vesting of Restricted Stock ⁽²⁾	57,848	419,293	127,316	0	127,316
Insurance Healthcare, Disability, and Accident (For 36 Months)	34,142	34,142	34,142	0	0
Financial Counseling (3 × \$5,000 Annual Allowance)	15,000	15,000	15,000	0	0
Unused Vacation (166 Hours)	63,846	63,846	63,846	63,846	63,846
TOTAL⁽³⁾	\$ 3,370,836	\$ 3,732,281	\$ 3,440,304	\$ 63,846	\$ 191,162

(1) Amounts shown assume Mr. Toeldte's termination was effective as of December 31, 2008. Mr. Toeldte would have received his base salary through the date of termination.

(2) Amounts shown are based on various vesting scenarios as set forth in Mr. Toeldte's Restricted Stock Award Agreement.

(3)

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Total amounts shown are in addition to payments Mr. Toeldte would have received under the company's Savings Plan and Deferred Compensation Plan. Mr. Toeldte's Deferred Compensation Plan balance would have been distributed in accordance with his distribution election.

For information on Mr. Toeldte's Deferred Compensation Plan balance, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Tables Nonqualified Deferred Compensation Table*.

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Robert M. McNutt
Senior Vice President and Chief Financial Officer

Benefits	Voluntary Termination With Good Reason or Involuntary Termination Without Cause ⁽¹⁾	Involuntary Termination Due to Change in Control ⁽¹⁾	Involuntary Termination Due to Restructuring ⁽¹⁾	For-Cause Termination or Voluntary Termination Without Good Reason ⁽¹⁾	Disability or Death ⁽¹⁾
Base Salary (2 × Base Salary of \$352,000)	\$ 704,000	\$ 704,000	\$ 704,000	\$ 0	\$ 0
Incentive and Performance Plan (2 × Target 65% Award)	457,600	457,600	457,600	0	0
Value of Accelerated Vesting of Restricted Stock ⁽²⁾	12,672	91,762	27,869	0	27,869
Insurance Healthcare, Disability, and Accident (For 12 Months)	11,381	11,381	11,381	0	0
Financial Counseling (1 × \$5,000 Annual Allowance)	5,000	5,000	5,000	0	0
Unused Vacation (260 Hours)	44,000	44,000	44,000	44,000	44,000
TOTAL⁽³⁾	\$ 1,234,653	\$ 1,313,743	\$ 1,249,850	\$ 44,000	\$ 71,869

(1) Amounts shown assume Mr. McNutt's termination was effective as of December 31, 2008. Mr. McNutt would have received his base salary through the date of termination.

(2) Amounts shown are based on various vesting scenarios as set forth in Mr. McNutt's Restricted Stock Award Agreement.

(3) Total amounts shown are in addition to payments Mr. McNutt would have received under the company's Savings Plan.

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Jeffrey P. Lane
Senior Vice President and General Manager, Packaging

Benefits	Voluntary Termination With Good Reason or Involuntary Termination Without Cause ⁽¹⁾	Involuntary Termination Due to Change in Control ⁽¹⁾	Involuntary Termination Due to Restructuring ⁽¹⁾	For-Cause Termination or Voluntary Termination Without Good Reason ⁽¹⁾	Disability or Death ⁽¹⁾
Base Salary (1 × Base Salary of \$380,000)	\$ 380,000	\$ 380,000	\$ 380,000	\$ 0	\$ 0
Incentive and Performance Plan (1 × Target 65% Award)	247,000	247,000	247,000	0	0
Value of Accelerated Vesting of Restricted Stock ⁽²⁾	15,079	109,220	33,169	0	33,169
Insurance Healthcare, Disability, and Accident (For 12 Months)	10,481	10,481	10,481	0	0
Financial Counseling (1 × \$5,000 Annual Allowance)	5,000	5,000	5,000	0	0
Unused Vacation (7 Hours)	1,279	1,279	1,279	1,279	1,279
TOTAL⁽³⁾	\$ 658,839	\$ 752,980	\$ 676,929	\$ 1,279	\$ 34,448

(1) Amounts shown assume Mr. Lane's termination was effective as of December 31, 2008. Mr. Lane would have received his base salary through the date of termination.

(2) Amounts shown are based on various vesting scenarios as set forth in Mr. Lane's Restricted Stock Award Agreement.

(3)

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Total amounts shown are in addition to payments Mr. Lane would have received under the company's Savings Plan and Deferred Compensation Plan. Mr. Lane's Deferred Compensation Plan balance would have been distributed in accordance with his distribution election.

For information on Mr. Lane's Deferred Compensation Plan balance, please refer to the section of this Proxy Statement entitled *Executive Compensation, Compensation Tables Nonqualified Deferred Compensation Table*.

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Robert E. Strenge
Senior Vice President, Manufacturing

Benefits	Voluntary Termination With Good Reason or Involuntary Termination Without Cause⁽¹⁾	Involuntary Termination Due to Change in Control⁽¹⁾	Involuntary Termination Due to Restructuring⁽¹⁾	For-Cause Termination or Voluntary Termination Without Good Reason⁽¹⁾	Disability or Death⁽¹⁾
Base Salary (1 × Base Salary of \$300,000)	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0	\$ 0
Incentive and Performance Plan (1 × Target 65% Award)	195,000	195,000	195,000	0	0
Value of Accelerated Vesting of Restricted Stock Units ⁽²⁾	6,356	46,010	13,975	0	13,975
Life Insurance Premiums (For 12 Months)	8,771	8,771	8,771	0	0
Insurance Healthcare, Disability, and Accident (For 12 Months)	7,445	7,445	7,445	0	0
Financial Counseling (1 × \$5,000 Annual Allowance)	5,000	5,000	5,000	0	0
Unused Vacation (94 Hours)	13,558	13,558	13,558	13,558	13,558
TOTAL⁽³⁾	\$ 536,130	\$ 575,784	\$ 543,749	\$ 13,558	\$ 27,533

(1)

Amounts shown assume Mr. Strenge's termination was effective as of December 31, 2008. Mr. Strenge would have received his base salary through the date of termination.

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- (2) Amounts shown are based on various vesting scenarios as set forth in Mr. Strenge's Restricted Stock Unit Award Agreement.
- (3) Total amounts shown are in addition to payments Mr. Strenge would have received under the company's Savings Plan.

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Robert A. Warren
Senior Vice President and General Manager,
Paper and Supply Chain

Benefits	Voluntary Termination With Good Reason or Involuntary Termination Without Cause ⁽¹⁾	Involuntary Termination Due to Change in Control ⁽¹⁾	Involuntary Termination Due to Restructuring ⁽¹⁾	For-Cause Termination or Voluntary Termination Without Good Reason ⁽¹⁾	Disability or Death ⁽¹⁾
Base Salary (1 × Base Salary of \$300,000)	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0	\$ 0
Incentive and Performance Plan (1 × Target 65% Award)	195,000	195,000	195,000	0	0
Value of Accelerated Vesting of Restricted Stock Units ⁽²⁾	6,356	46,010	13,975	0	13,975
Insurance Healthcare, Disability, and Accident (For 12 Months)	9,245	9,245	9,245	0	0
Financial Counseling (1 × \$5,000 Annual Allowance)	5,000	5,000	5,000	0	0
Unused Vacation (56 Hours)	8,077	8,077	8,077	8,077	8,077
TOTAL⁽³⁾	\$ 523,678	\$ 563,332	\$ 531,297	\$ 8,077	\$ 22,052

(1) Amounts shown assume Mr. Warren's termination was effective as of December 31, 2008. Mr. Warren would have received his base salary through the date of termination.

(2) Amounts shown are based on various vesting scenarios as set forth in Mr. Warren's Restricted Stock Unit Award Agreement.

- (3) Total amounts shown are in addition to payments Mr. Warren would have received under the company's Savings Plan.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors, and persons who own more than 10% of our common stock (Reporting Persons) to file reports with the SEC regarding their ownership of and transactions in our common stock and other securities related to our common stock. SEC rules also require Reporting Persons to furnish us with copies of the reports they file with the SEC. Based solely on a review of the copies of the reports provided to us and inquiries we have made, we believe that during our fiscal year ended December 31, 2008, all Reporting Persons filed in a timely manner all of the reports they were required to file with the following exceptions:

Zaid F. Alsikafi On May 2, 2008, Mr. Alsikafi received an award of 36,100 shares of restricted stock. Mr. Alsikafi's Form 4 to report this award was due on May 6, 2008. Due to a financial printer's delayed submission to the SEC's IDEA system (formerly known as EDGAR), Mr. Alsikafi's Form 4 was not filed until May 7, 2008. Additionally, on December 31, 2008, Mr. Alsikafi resigned from our board of directors. Upon his resignation, Mr. Alsikafi forfeited 6,017 shares of his May 2, 2008, restricted stock award. Mr. Alsikafi's Form 4 to report this forfeiture was due on January 5, 2009, but was not filed until January 13, 2009.

Alexander Toeldte On May 19 and 20, 2008, Mr. Toeldte purchased 20,000 shares of common stock in the open market. Mr. Toeldte's Form 4 to report this purchase was due on May 21, 2008. Due to a broker's delayed notification of this purchase, Mr. Toeldte's Form 4 was not filed until May 27, 2008.

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TRANSACTIONS WITH RELATED PERSONS, PROMOTERS, AND CERTAIN CONTROL PERSONS

Related-Person Transactions

Investor Rights Agreement

In connection with the Acquisition, the company entered into an Investor Rights Agreement with (1) Boise Cascade, L.L.C., Boise Cascade Holdings, L.L.C., (together, the Boise Majority Holders); and (2) Messrs. Berger, Leight, and Weiss and Mr. Richard Rogel, a former director of the company (together, the Aldabra Majority Holders). The Investor Rights Agreement provides for registration rights with respect to shares held by these entities and individuals, who have the right to demand registration under the Securities Act of 1933, as amended, of some or all of their registrable securities. In February 2009, the Boise Majority Holders used this right to register all of their Boise Inc. shares. The Aldabra Representatives continue to hold registration rights for the registrable securities they hold, and on February 19, 2009, notified the company of their intent to exercise these rights.

The Investor Rights Agreement also provides that the Boise Majority Holders and the Aldabra Majority Holders have the right to designate directors to our board in an amount proportionate to the voting power of the shares they each hold. Pursuant to this right, Messrs. Norton, Souleles, and Stephens serve as representatives of the Boise Majority Holders, and Messrs. Leight and Weiss serve as representatives of the Aldabra Majority Holders.

Additionally, the Investor Rights Agreement gives the Boise Majority Holders the right to have significant influence on our policies, business, and affairs and the ability to influence the outcome of corporate transactions, such as mergers, consolidations, and the sale of all or substantially all of our assets. As long as the Boise Majority Holders control 33% or more of the common stock that was issued to Boise Cascade in connection with the Acquisition, we are restricted from conducting specified activities or taking specified actions without the affirmative written consent of the Boise Majority Holders. Those restricted activities include, without limitation, making distributions on our equity securities; redemption, purchases, or acquisitions of our equity securities; issuances or sales of equity securities or securities exchangeable or convertible for equity securities; issuing debt or convertible/ exchangeable debt securities; making loans, advances or guarantees; mergers and/or acquisition; asset sales; liquidations; recapitalizations; non-ordinary business activities; making changes to our organizational documents; making changes to arrangements with our officers, directors, employees, and other related persons; incurrence of indebtedness for borrowed money or capital leases above specified thresholds; and consummating a sale of the company. Additionally, the Investor Rights Agreement requires us, unless the Boise Majority Holders have consented otherwise in writing, to preserve our corporate existence and material licenses, maintain the authorizations and permits necessary to conduct our business, maintain our material properties, discharge statutory liens, perform our material contracts, comply with applicable laws and regulations, preserve adequate insurance coverage, and maintain proper books of records and accounts.

Relationship with Boise Cascade Holdings, L.L.C.

In addition to the Investor Rights Agreement, we have entered into a number of agreements with Boise Cascade to carry out specified operational functions of both companies. For example, we have entered into a number of agreements under which we purchase wood fiber from Boise Cascade to furnish our paper operations in the Pacific Northwest. We also have a cooperative agreement with Boise

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Cascade that facilitates the purchase of saw logs and pulpwood for our pulp and paper mill in DeRidder, Louisiana. Pursuant to an outsourcing agreement, we also provide Boise Cascade with administrative services, such as information technology, accounting, financial management, and human resources for a price equal to our fully allocable cost.

During 2008, we paid Boise Cascade \$413.7 million for the goods and services rendered to us under these various arrangements. Similarly, Boise Cascade paid us \$68.6 million for the goods and services it received from us.

Family Relationships

Messrs. Berger and Leight are cousins, who have both served on our board since its inception in 2007.

Policies and Procedures for Related-Person Transactions

Our Code of Ethics, which is posted on our website, governs the review, approval, or ratification of related-person transactions. Pursuant to our Code of Ethics, our directors and officers are required to be free from actual or apparent conflicts of interest that would interfere with their loyalty to us or to our shareholders. Similarly, our Code of Ethics prohibits our directors and officers from appropriating business opportunities that are presented to the company, from competing with the company, and from using their positions with the company or company information for personal gain.

All actual or potential conflicts, including transactions with related parties, must be reported to the company's general counsel, who will provide guidance and a recommendation on how to address the issue. If the situation so warrants, the general counsel will report the conflict or transaction to our board of directors. If a significant conflict issue arises and cannot be resolved, or if the conflict was not disclosed, the board of directors may ask for the resignation or termination of the director or officer.

Our decisions to enter into the Investor Rights Agreement and into the agreements with Boise Cascade were approved by our entire board of directors in connection with the Acquisition. There have been no subsequent related-party transactions concerning our directors or officers that have been brought to the attention of the general counsel.

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AUDIT COMMITTEE MATTERS

Audit Committee Report

Dear Fellow Shareholders:

The Audit Committee of the board of directors of Boise Inc. is composed of four directors, each of whom is independent as defined under the NYSE's listing standards. The Audit Committee chair, Mr. Berger, qualifies as an "Audit Committee Financial Expert" under the SEC's definition.

Audit Committee Responsibilities

The Audit Committee's responsibilities are set out in its charter, which has been adopted by the board of directors and is reviewed annually. The Audit Committee is responsible for the engagement of the company's independent auditor and appointed KPMG LLP (KPMG) in that capacity effective February 22, 2008. The Audit Committee met 15 times during 2008, including meeting regularly with KPMG and the company's internal auditors, both privately and with management present. For further information on the Audit Committee's responsibilities, please refer to the section of this Proxy Statement entitled *Corporate Governance Principles and Board Matters, Board and Committee Matters - Audit Committee*.

Management is primarily responsible for the company's financial statements, including the company's internal control over financial reporting. KPMG is responsible for performing an audit of the company's annual consolidated financial statements in accordance with generally accepted accounting principles (GAAP) and for issuing a report on those statements. KPMG also reviews the company's interim financial statements in accordance with Statement on Auditing Standards No. 100, *Interim Financial Information*. The Audit Committee oversees the company's financial reporting process and internal control structure on behalf of the board of directors.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management and KPMG the audited and interim financial statements, including Management's Discussion and Analysis, included in the company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. These reviews included discussions on:

The company's critical accounting policies;

The reasonableness of significant financial reporting judgments made in connection with the financial statements, including the quality (and not just the acceptability) of the company's accounting principles;

The clarity and completeness of the company's financial disclosures;

The effectiveness of the company's internal control over financial reporting, including management's and KPMG's reports on such effectiveness, the basis for the conclusions expressed in those reports, and any changes made to the company's internal control over financial reporting during 2008;

Items that could be accounted for using alternative treatments within GAAP, the ramifications of such treatments, and KPMG's preferred treatment;

KPMG's annual management representation letter, management's response to such representation letter, and other material written communications between management and KPMG;

Unadjusted audit differences KPMG noted during its audit of the company's annual financial statements; and

The potential effects of regulatory and accounting initiatives on the company's financial statements.

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Financial Statement Recommendation

The Audit Committee is responsible for recommending to the board of directors that the company's audited financial statements be included in its Annual Report on Form 10-K. The Audit Committee took a number of steps in making this recommendation for 2008, including discussions with KPMG on the:

Conduct of the audit, including information regarding the scope and results of the audit, as required by the Statement on Auditing Standards No. 61, *Communications with Audit Committees*;

Auditors' independence, including receipt of a letter from KPMG regarding its independence, as required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*; and

Audit of management's assessment of the effectiveness of the company's internal control over financial reporting and KPMG's own audit of the effectiveness of the company's internal controls over financial reporting.

As a final step to this procedure, the Audit Committee reviewed and discussed with KPMG and management the company's audited consolidated balance sheet at December 31, 2008, and its audited consolidated statements of income (loss), cash flows, and shareholders' equity for the year ended December 31, 2008.

Based on the discussions with the company's management regarding the audited financial statements and with KPMG regarding its audit and independence, the Audit Committee recommended to the board of directors that these financial statements be included in the company's 2008 Annual Report on Form 10-K.

Respectfully submitted,

The Audit Committee

Jonathan W. Berger, *Committee Chair*
Carl A. Albert
Jack Goldman
Matthew W. Norton

Policies and Procedures for Preapproval of Audit and Nonaudit Services

The Audit Committee's charter provides that all audit and nonaudit services (including the fees and terms of such services) to be performed for us by KPMG be preapproved. Our controller monitors services provided by KPMG and overall compliance with the preapproval policy and reports periodically to the Audit Committee on the status of outstanding engagements, including actual services provided and associated fees. Our controller must promptly report any noncompliance with the preapproval policy to the chair of the Audit Committee.

Auditor Fees and Services

McGladrey & Pullen LLP 2007

On January 25, 2008, a majority of the partners of Goldstein Golub Kessler LLP (GGK) became partners of McGladrey & Pullen LLP (M&P). As a result, GGK resigned as our independent auditor effective January 25, 2008, and M&P was appointed as our independent auditor.

The following table presents the aggregate fees billed by M&P and GGK to us for services

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rendered for the fiscal year ended December 31, 2007.

		2007
Audit Fees	M&P	\$ 25,000
Audit Fees	GGK	82,072
Audit-Related Fees		0
Tax Fees		0
All Other Fees		0
Total		\$ 107,072

M&P's 2007 audit fees consisted of fees for the audit of our 2007 year-end financial statements. GGK's 2007 audit fees consisted of the review of the interim financial statements included in our Quarterly Reports on Form 10-Q and services rendered in connection with our registration statements, including related audits and proxy filings. We did not incur any audit-related or tax fees or any other fees with M&P for the fiscal year ended December 31, 2007.

On February 22, 2008, we dismissed M&P as our independent registered public accounting firm pursuant to the provisions of the Investor Rights Agreement, which required us to retain the same independent registered public accounting firm as Boise Cascade Holdings, L.L.C.

M&P's audit reports on our financial position at December 31, 2007, and the results of our operations and cash flows for the period from February 1, 2007 (date of inception), to December 31, 2007, did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the period from January 25, 2008, through February 22, 2008, there were:

No disagreements between M&P and the company on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to M&P's satisfaction, would have caused M&P to make reference to the subject matter of the disagreements in M&P's report on our financial statements for the financial year ended December 31, 2007; and

On any matter that was subject to a disagreement as defined in Regulation S-K, Item 304(a)(1)(iv) and the related instructions, no reportable events within the meaning set forth in Regulation S-K, Item 304(a)(1)(iv).

KPMG LLP 2008

As of February 22, 2008, the Audit Committee appointed KPMG LLP as our independent registered public accounting firm to audit our financial statements and internal control over financial reporting for the fiscal year ended December 31, 2008.

From February 1, 2007 (date of inception), through February 22, 2008, we had not consulted with KPMG regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, as well as any matters or reportable events described in Regulation S-K, Items 304(a)(2)(i) or (ii).

The following table presents the aggregate fees billed by KPMG to us for services rendered for the fiscal year ended December 31, 2008.

		2008
Audit Fees		\$ 1,810,250
Audit-Related Fees		750
Tax Fees		0
All Other Fees		0

Total	\$ 1,811,000
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KPMG's 2008 audit fees consisted of fees for the audit of our 2008 year-end financial statements, as well as reviews of our interim financial statements included in our Quarterly Reports on Form 10-Q, subsidiary audits, and other filings with the SEC. KPMG's audit-related fees consisted of fees in connection with the issuance of financial assurance letters.

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We did not incur any tax fees or any other fees with KPMG for the fiscal year ended December 31, 2008.

Appointment of Independent Registered Public Accounting Firm for 2009

The Audit Committee appointed KPMG LLP to serve as our independent registered public accounting firm for 2009. Representatives from KPMG will be present at our 2009 Annual Shareholders' Meeting to answer questions. They will also have the opportunity to make a statement if they desire to do so.

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INFORMATION ABOUT ATTENDING OUR 2009 ANNUAL SHAREHOLDERS' MEETING

Date and Time

Thursday, April 23, 2009
10:00 a.m. Mountain Daylight Time

Place

Boise Plaza Building
1-West A.V. Conference Room
1111 West Jefferson Street
Boise, Idaho

If You Plan to Attend

If you plan to attend our 2009 Annual Shareholders' Meeting in person, bring your Notice, the tear-off portion of your proxy card, or your brokerage statement reflecting your Boise Inc. holdings as proof of share ownership. We will inspect all purses, briefcases, and bags. Cameras and other recording devices will not be permitted at the meeting.

Directions From Boise Air Terminal and Parking

From the Boise Air Terminal to the Boise Plaza Building:

Depart from the Boise Air Terminal and proceed north to Vista Avenue Proceed 2.3 miles on Vista Avenue.

Turn slightly left onto Capitol Boulevard and proceed 1.2 miles on Capitol Boulevard.

Turn left onto Idaho Street and proceed .3 mile to the corner of 11th and Idaho Streets.

Visitor parking is available in the Boise Plaza parking lot on the northwest corner of 11th and Idaho Streets.

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APPENDIX A

**BOISE INC. INCENTIVE AND PERFORMANCE PLAN,
AS PROPOSED TO BE AMENDED**

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**BOISE INC.
INCENTIVE AND PERFORMANCE PLAN**

Effective February 22, 2008

(As Amended April 23, 2009)

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**BOISE INC.
INCENTIVE AND PERFORMANCE PLAN**

1. *Purpose.* The Boise Inc. Incentive and Performance Plan (the "Plan") is intended to promote the interests of the Company and its Shareholders by (a) attracting, motivating, rewarding, and retaining the broad-based management talent critical to achieving the Company's business goals; (b) linking a portion of each Participant's compensation to the performance of both the Company and the individual Participant; and (c) encouraging ownership of Stock (defined below) by Participants.

2. *Definitions.* As used in the Plan, the following definitions apply to the terms indicated below:

2.1 "Agreement" means either the agreement between the Company and a Participant evidencing an Award and setting forth the terms and conditions applicable to the Award or a statement issued by the Company to a Participant describing the terms and conditions of an Award, in each case either written or electronic.

2.2 "Annual Incentive Award" means an Award granted under Section 13.

2.3 "Award" means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Unit, Performance Share, Annual Incentive Award, or Stock Bonus granted pursuant to the terms of the Plan.

2.4 "Board of Directors" means the Board of Directors of the Company. Reference to the Board of Directors that initially adopted and approved this Plan means the Board of Directors of Aldabra 2 Acquisition Corp.

2.5 A "Change in Control" shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 35% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.5(c)(i) shall not be deemed to be a Change in Control; or

(b) During any 24-month period, the following individuals cease for any reason to constitute at least a majority of the number of directors then serving: individuals who, on the effective date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors on the effective date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

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(c) The consummation of a merger or consolidation of the Company with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 35% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.5(c)(i) shall not be deemed to be a Change in Control; or

(d) The Shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For purposes of this Section 2.5, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that "Person" shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the Shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of the Company's securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D or (vi) any Exempt Person.

2.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations issued thereunder.

2.7 "Committee" means the Compensation Committee of the Board of Directors or any successor to the Committee, which shall consist of three or more persons, each of whom, unless otherwise determined by the Board of Directors, is an "outside director" within the

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meaning of Section 162(m) of the Code and a "nonemployee director" within the meaning of Rule 16b-3.

2.8 "Company" means Boise Inc., a Delaware corporation, and any predecessor or successor thereto.

2.9 "Covered Employee" means a Participant who is, or is likely to become, a "covered employee" within the meaning of Section 162(m)(3) of the Code.

2.10 "Director" means any individual who is a member of the Board of Directors and who is not an employee of the Company or any subsidiary.

2.11 "Disciplinary Reason" has the meaning ascribed to that term in the Company's Corporate Policy 10.2, Termination of Employment.

2.12 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2.13 "Exempt Person" shall mean (i) Forest Products Holdings, L.L.C. or (ii) Madison Dearborn. "Madison Dearborn" means Madison Dearborn Partners, L.L.C. and any investment fund controlled by or under common control with Madison Dearborn Partners, L.L.C., and any officer, director or employee of such persons, or any trust, corporation, partnership or other entity controlled by such persons or any combination of these identified relationships.

2.14 "Fair Market Value" of a share of Stock means the closing price of the Stock on any established stock exchange or national market system on which the stock is listed, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, as quoted on such exchange or system on the date in question, unless otherwise specified by the Committee. If there are no Stock transactions on a particular date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions, unless otherwise specified by the Committee.

The Committee may in its sole discretion specify the following alternative dates or methods for determining Fair Market Value: (1) the closing price on the trading day before the date in question, (2) the arithmetic mean of the high and low prices on the trading day before the date in question, (3) the arithmetic mean of the high and low prices on the date in question, or, in the case of a grant of an Award, (4) an average of prices over a specified period of up to 30 days after the date of grant; provided that the Fair Market Value specified for Incentive Stock Options shall comply with applicable laws and regulations.

2.15 "Incentive Stock Option" means an Option that is an "incentive stock option" within the meaning of Section 422 of the Code, or any successor provision, and that is designated by the Committee as an Incentive Stock Option.

2.16 "Nonqualified Stock Option" means an Option other than an Incentive Stock Option.

2.17 "Option" means the right to purchase a stated number of shares of Stock at a stated price for a stated period of time, granted pursuant to Section 7.

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2.18 "Participant" means an employee of the Company or a subsidiary or a Director to whom an Award is granted pursuant to the Plan, or upon the death of the Participant, his or her successors, heirs, executors, and administrators, as the case may be.

2.19 "Performance Criteria" means the criteria, either individually, alternatively or in any combination, selected for purposes of establishing the Performance Goal(s) for a Participant for a Performance Period. The Performance Criteria that will be used to establish Performance Goals are limited to the following: net earnings (either before or after interest, taxes, depreciation and amortization), sales or revenue, income or net income (either before or after taxes), operating income or net operating income, operating profit or net operating profit, cash flow (including, but not limited to, operating cash flow and free cash flow), economic profit (including economic profit margin), return on assets, return on capital, return on investment, return on operating revenue, return on equity or average stockholders' equity, total stockholder return, growth in sales or return on sales, gross, operating or net profit margin, working capital, earnings per share, growth in earnings or earnings per share, price per share of Stock, market share, overhead or other expense reduction, growth in stockholder value relative to various indices, and strategic plan development and implementation, any of which may be used to measure the performance of the Company as a whole or with respect to any business unit, subsidiary or business segment of the Company, either individually, alternatively or in any combination, and may be measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous period results or to a designated comparison group, in each case as specified in the Award. The Committee shall, within the time prescribed by Section 162(m) of the Code, define in an objective fashion the manner of calculating the Performance Criteria it selects to use for a Performance Period for the Participant.

2.20 "Performance Goals" means the objectives established by the Committee in its sole discretion with respect to any performance-based Awards that relate to the Performance Criteria. Performance Goals may (a) be used to measure the performance of the Company as a whole or any subsidiary, business unit, division or other operating segment of the Company, or an individual Participant, and/or (b) reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group, index, or other external measure, in each case as determined by the Committee in its sole discretion. The Committee, in its discretion, may, within the time prescribed by Section 162(m) of the Code, adjust or modify the calculation of Performance Goals in order to prevent the dilution or enlargement of the rights of Participants (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event, or development, or (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

2.21 "Performance Share" means an Award of a number of shares granted to a Participant pursuant to Section 12 which is initially valued according to Fair Market Value and is paid out based on the achievement of stated Performance Goals during a stated period of time.

2.22 "Performance Unit" means an Award granted to a Participant pursuant to Section 11 which is paid out based on the achievement of stated Performance Goals during a stated period of time.

2.23 "Restricted Stock" means Stock granted to a Participant which is subject to forfeiture and restrictions as set forth in Section 9.

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2.24 "Restricted Stock Units" means an Award granted to a Participant pursuant to Section 10 which is subject to forfeiture and restrictions.

2.25 "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.

2.26 "Securities Act" means the Securities Act of 1933, as amended from time to time.

2.27 "Shareholders" means the shareholders of the Company or, when referring to the initial adoption and approval of this Plan, the shareholders of Aldabra 2 Acquisition Corp.

2.28 "Stock" means Common Stock of the Company.

2.29 "Stock Appreciation Right" or "SAR" means the right to receive an amount calculated as provided in and granted pursuant to Section 8.

2.30 "Stock Bonus" means a bonus payable in shares of Stock granted pursuant to Section 14.

2.31 "Termination of Employment" means, unless otherwise specified in the Agreement, the time when the employee-employer relationship between a Participant and the Company is terminated for any reason, with or without cause, including without limitation a termination by resignation, discharge, death, disability or retirement; but excluding: (a) terminations where there is a simultaneous reemployment or continuing employment of a Participant by the Company, (b) at the discretion of the Committee, terminations which result in a temporary severance of the employee- employer relationship, and (c) at the discretion of the Committee, terminations which are followed by the simultaneous establishment of a consulting relationship by the Company with the former employee. The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including all questions of whether a particular leave of absence constitutes a Termination of Employment; provided, however, that with respect to Incentive Stock Options, unless otherwise determined by the Committee in its discretion, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Employment if, and to the extent that, the leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the regulations issued thereunder.

3. *Stock Subject to the Plan.*

3.1 *Shares Available for Awards.* The maximum number of shares of Stock available for grant to Participants under this Plan shall be 17,175,000 shares (subject to adjustment as provided herein). Shares covered by an Award shall only be counted as used to the extent they are actually issued, except that the full number of Stock Appreciation Rights granted that are to be settled by the issuance of Shares shall be counted against the number of Shares available for Awards under the Plan, regardless of the number of Shares actually issued upon settlement of such Stock Appreciation Rights. Shares may be authorized but unissued Stock or authorized and issued Stock held in the Company's treasury. All shares of Stock available for grant under the Plan shall be available for any Awards, including Options and Stock Appreciation Rights. Shares of Stock related to an Award which is cancelled, expired, terminated, forfeited, surrendered, or otherwise settled without the issuance of any Stock, and shares of Stock related to an Award which is settled in cash in lieu of Stock shall again be available for Awards under this Plan.

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3.2 *Performance-Based Award Limitation.* Awards that are designed to comply with the performance-based exception from the tax deductibility limitation of Section 162(m) of the Code shall be subject to the following rules:

(a) The number of shares of Stock that may be granted in the form of Options in a single fiscal year to a Covered Employee may not exceed 2,350,000.

(b) The number of shares of Stock that may be granted in the form of SARs in a single fiscal year to a Covered Employee may not exceed 2,350,000.

(c) The number of shares of stock that may be granted in the form of Restricted Stock in a single fiscal year to a Covered Employee may not exceed 2,350,000.

(d) The number of Restricted Stock Units that may be granted in a single fiscal year to a Covered Employee may not exceed 2,350,000.

(e) The number of shares of Stock that may be granted in the form of Performance Shares in a single fiscal year to a Covered Employee may not exceed 2,350,000.

(f) The maximum amount that may be paid to a Covered Employee for Performance Units granted in a single fiscal year to the Covered Employee may not exceed \$6,000,000.

(g) To the extent necessary to comply with the qualified performance-based compensation requirements of Section 162(m)(4)(C) of the Code, with respect to any Award which may be granted to one or more Covered Employees, no later than ninety (90) days following the commencement of any fiscal year in question or any other designated fiscal period or period of service (or such other time as may be required or permitted by Section 162(m) of the Code), the Committee shall, in writing, (a) select the Performance Criteria applicable to the performance period, (b) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for the performance period, and (c) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for the performance period. Following the completion of each performance period, the Committee shall certify in writing whether the applicable Performance Goals have been achieved. In determining the amount earned by a Covered Employee, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that it deems relevant to the assessment of individual or corporate performance.

(h) Notwithstanding any other provision of the Plan, any Award which is granted to a Covered Employee and is intended to constitute qualified performance-based compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

3.3 *Adjustment for Change in Capitalization.* If the Committee in its sole discretion determines that a recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination, share repurchase, share exchange, reclassification, or other similar corporate transaction or event has occurred, then (a) the number and kind of shares of stock

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which may thereafter be issued in connection with Awards; (b) the number and kind of shares of stock or other property issued or issuable in respect of outstanding Awards; (c) the exercise price, grant price, or purchase price relating to any Award; and (d) the maximum number of shares subject to Awards which may be awarded to any employee during any fiscal year of the Company shall be equitably adjusted as necessary to prevent the dilution or enlargement of the rights of Participants; provided that, with respect to Incentive Stock Options, adjustments shall be made in accordance with Section 424 of the Code.

4. *Administration of the Plan.*

4.1 *Authority and Delegation.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. Any interpretation, determination, decision, or other action made or taken by the Committee shall be final and binding on Participants, the Company, and any other interested parties. The Committee may delegate to one or more of its members or to one or more officers or employees of the Company and/or its subsidiaries and affiliates, or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees to be recipients of Awards; (b) determine the size of any such Awards; provided, however, (i) the Committee shall not delegate such responsibilities to any such officer for Awards granted to an Employee who is considered a Section 16 officer; (ii) the resolution providing such authorization sets forth the total number of Awards such officer(s) may grant; and (iii) the officer(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

4.2 *Terms and Conditions of Awards.* The Committee shall have final discretion, responsibility, and authority to:

- (a) grant Awards;
- (b) determine the Participants to whom and the times at which Awards shall be granted;
- (c) determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate, and the applicable terms, conditions, and restrictions, including the length of time for which any restriction shall remain in effect;
- (d) establish and administer Performance Criteria and Goals relating to any Award;
- (e) establish the rights of Participants with respect to an Award upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination);
- (f) determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered, provided that any Committee action taken in this respect must not result in an Award being considered "nonqualified deferred compensation" under Section 409A of the Code and further provided that any Committee

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action taken in this respect shall be subject to Sections 7.5 and 8.7 prohibiting repricing of Options and Stock Appreciation Rights;

(g) make adjustments in the Performance Goals in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company, or in response to changes in applicable laws, regulations, or accounting principles;

(h) determine the terms and provisions of Agreements; and

(i) make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee shall determine the terms and conditions of each Award at the time of grant. The Committee may establish different terms and conditions for different Participants (whether or not similarly situated), for different Awards, and for the same Participant for each Award the Participant may receive, whether or not granted at different times.

5. *Eligibility.* The persons who shall be eligible to receive Awards pursuant to the Plan shall be employees of the Company and its subsidiaries and affiliates (including elected officers of the Company, whether or not they are directors of the Company) selected by the Committee from time to time, and Directors. The grant of an Award at any time to any person shall not entitle that person to a grant of an Award at any future time.

6. *Awards Under the Plan; Agreement.* Awards that may be granted under the Plan consist of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, Annual Incentive Awards, and Stock Bonuses, all as described below.

Each Award granted under the Plan, except unconditional Stock Bonuses, shall be evidenced by an Agreement which shall contain such provisions as the Committee may, in its sole discretion, deem necessary or desirable which are not in conflict with the terms of the Plan. By accepting an Award, a Participant agrees that the Award shall be subject to all of the terms and provisions of the Plan and the applicable Agreement.

7. *Options.*

7.1 *Terms and Agreement.* Subject to the terms of the Plan, Options may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for each Option granted:

(a) the number of shares subject to each Option;

(b) duration of the Option (provided that no Option shall have an expiration date later than the day after the 10th anniversary of the date of grant);

(c) vesting requirements, if any;

(d) whether the Option is an Incentive Stock Option or a Nonqualified Stock Option;

(e) the amount and duration of related Stock Appreciation Rights, if any, and any conditions upon their exercise;

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- (f) the exercise price for each Option (which shall not be less than the Fair Market Value on the date of the grant);
- (g) the permissible method(s) of payment of the exercise price;
- (h) the rights of the Participant upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination), provided that the termination rights for Participants receiving Incentive Stock Options shall conform to Section 422 of the Code; and
- (i) any other terms or conditions established by the Committee.

7.2 Exercise of Options.

- (a) Options shall be exercisable at such times and subject to such restrictions and conditions as the Committee, in its sole discretion, deems appropriate, which need not be the same for all Participants.
- (b) An Option shall be exercised by delivering written notice as specified in the Agreement on the form of notice provided by the Company, or by complying with any alternative exercise procedures the Committee may authorize. Options may be exercised in whole or in part.

For a Participant who is subject to Section 16 of the Exchange Act, the Company may require that the method of payment comply with Section 16 and the rules and regulations thereunder. Any payment in shares of Stock, if permitted, shall be made by delivering the shares to the corporate secretary of the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents and evidence as the secretary shall require.

- (c) Certificates for shares of Stock purchased upon the exercise of an Option shall be issued in the name of or for the account of the Participant or other person entitled to receive the shares and delivered to the Participant or other person, or evidence of book-entry shares shall be delivered to the Participant or other person, as soon as practicable following the effective date on which the Option is exercised.

7.3 Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended, or altered, nor shall any discretion or authority granted under the Plan be exercised so as to disqualify the Plan under Section 422 of the Code, or, without the consent of any affected Participant, to cause any Incentive Stock Option previously granted to fail to qualify for the federal income tax treatment afforded under Section 421 of the Code. Incentive Stock Options shall not be granted to Directors. Incentive Stock Options shall not be granted under the Plan on or after the tenth anniversary of the Effective Date.

7.4 Leave of Absence or Transfer. Transfer between the Company and any subsidiary or affiliate of the Company, or between subsidiaries of the Company, or a leave of absence of less than six months duly authorized by the Participant's employer, shall not be deemed a Termination of Employment. A Participant may not, however, exercise an Option or related Stock Appreciation Right during any leave of absence unless authorized to do so by the Company's compensation manager.

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7.5 *Reduction in Price or Reissuance.* In no event shall the Committee cancel any outstanding Option for the purpose of reissuing the Option to the Participant at a lower exercise price or reduce the exercise price of a previously issued Option.

8. *Stock Appreciation Rights.*

8.1 *Terms and Agreement.* Subject to the terms of the Plan, Stock Appreciation Rights may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for each SAR granted:

- (a) the number of shares subject to each SAR;
- (b) whether the SAR is a Related SAR or a Freestanding SAR;
- (c) duration of the SAR;
- (d) vesting requirements, if any;
- (e) rights of the Participant upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination); and
- (f) any other terms or conditions established by the Committee.

8.2 *Related and Freestanding SARs.* A Stock Appreciation Right may be granted in connection with an Option at the time of grant (a "Related SAR"), or may be granted unrelated to an Option (a "Freestanding SAR").

8.3 *Surrender of Option.* A Related SAR shall require the holder, upon exercise, to surrender the Option with respect to the number of shares as to which the SAR is exercised, in order to receive payment. The Option will, to the extent surrendered, cease to be exercisable.

8.4 *Reduction in Number of Shares Subject to Related SARs.* For Related SARs, the number of shares subject to the SAR shall not exceed the number of shares subject to the Option. For example, if the SAR covers the same number of shares as the Option, the exercise of a portion of the Option shall reduce the number of shares subject to the SAR to the number of shares remaining under the Option. If the Related SAR covers fewer shares than the Option, the exercise of a portion of the Option shall reduce the number of shares subject to the SAR to the extent necessary so that the number of remaining shares subject to the SAR is not more than the remaining shares under the Option.

8.5 *Exercisability.* Subject to Section 8.7 and to any rules and restrictions imposed by the Committee, a Related SAR will be exercisable at the time or times, and only to the extent, that the Option is exercisable and will not be transferable except to the extent that the Option is transferable. A Freestanding SAR will be exercisable as determined by the Committee but in no event after 10 years from the date of grant.

8.6 *Payment.* Upon the exercise of a Stock Appreciation Right, the holder will be entitled to receive payment of an amount determined by multiplying:

- (a) The excess of the Fair Market Value on the date of exercise over the Fair Market Value on the date of grant, by

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- (b) The number of shares with respect to which the SAR is being exercised.

The Committee may limit the amount payable upon exercise of a Stock Appreciation Right. Any limitation must be determined as of the date of grant and noted on the Agreement evidencing the grant.

Payment will be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

8.7 Reduction in Price or Reissuance. In no event shall the Committee cancel any outstanding Stock Appreciation Right for the purpose of reissuing the Stock Appreciation Right to the Participant at a lower exercise price or reduce the exercise price of a previously issued Stock Appreciation Right.

8.8 Additional Terms. The Committee may impose additional conditions or limitations on the exercise of a Stock Appreciation Right as it may deem necessary or desirable to secure for holders the benefits of Rule 16b-3, or any successor provision, or as it may otherwise deem advisable.

9. Restricted Stock.

9.1 Terms and Agreement. Subject to the terms of the Plan, shares of Restricted Stock may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Restricted Stock granted:

- (a) the number of shares of Restricted Stock granted;
- (b) the purchase price, if any, to be paid by the Participant for each share of Restricted Stock;
- (c) the restriction period established pursuant to Subsection 9.2;
- (d) any requirements with respect to elections under Section 83(b) of the Code;
- (e) rights of the Participant upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination); and
- (f) any other terms or conditions established by the Committee.

9.2 Restriction Period. At the time of the grant of Restricted Stock, the Committee shall establish a restriction period for the shares granted, which may be time-based, based on the achievement of specified Performance Goals, a combination of time- and Performance Goal-based, or based on any other criteria the Committee deems appropriate. The Committee may divide the shares into classes and assign a different restriction period for each class. The Committee may impose additional conditions or restrictions upon the vesting of the Restricted Stock as it deems fit in its sole discretion. If all applicable conditions are satisfied, then upon the termination of the restriction period with respect to a share of Restricted Stock, the share shall vest and the restrictions of Section 9.3 shall lapse. To the extent required to ensure that a Performance Goal-based Award of Restricted Stock to an executive officer is deductible by the Company pursuant to Section 162(m) of the Code, any such Award shall vest only upon the

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Committee's determination that the Performance Goals applicable to the Award have been attained.

9.3 Restrictions on Transfer Prior to Vesting. Prior to the vesting of Restricted Stock, the Participant may not sell, assign, pledge, hypothecate, transfer, or otherwise encumber the Restricted Stock. Upon any attempt to transfer rights in a share of Restricted Stock, the share and all related rights shall immediately be forfeited by the Participant. Upon the vesting of a share of Restricted Stock, the transfer restrictions of this section shall lapse with respect to that share.

9.4 Rights as a Shareholder. Except for the restrictions set forth here and unless otherwise determined by the Committee, the Participant shall have all the rights of a Shareholder with respect to shares of Restricted Stock, including but not limited to the right to vote and the right to receive dividends, provided that unless otherwise specified in the Agreement, dividends shall be held subject to the same conditions and restrictions upon vesting as the underlying Restricted Stock.

9.5 Issuance of Certificates.

(a) Following the date of grant, upon the Participant's request, the Company shall issue a stock certificate, registered in the name of or for the account of the Participant to whom the shares of Restricted Stock were granted, evidencing the shares. Each stock certificate shall bear the following legend:

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms, and conditions (including forfeiture provisions and restrictions against transfer) contained in the Boise Inc. Incentive and Performance Plan and an Agreement entered into between the registered owner of the shares and Boise Inc.

This legend shall not be removed until the shares vest pursuant to the terms stated.

(b) Each certificate, together with the stock powers relating to the shares of Restricted Stock evidenced by the certificate, shall be held by the Company unless the Committee determines otherwise.

(c) Following the date on which a share of Restricted Stock vests, upon a Participant's request, the Company shall cause to be delivered to the Participant to whom the shares were granted, a certificate evidencing the share free of the legend stated in subsection (a) above.

(d) Unless a Participant requests a stock certificate as provided in subsections (a) and (c) above, the shares shall be maintained in book-entry form by the Company.

9.6 Section 83(b) Election. The Committee may provide in the Agreement that the Award is conditioned upon the Participant making or not making an election under Section 83(b) of the Code. If the Participant makes an election pursuant to Section 83(b) of the Code, the Participant shall be required to file a copy of the election with the Company within 10 days.

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10. *Restricted Stock Units.*

10.1 *Terms and Agreement.* Subject to the terms of the Plan, Restricted Stock Units may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Restricted Stock Units granted:

- (a) the number of Restricted Stock Units awarded;
- (b) the purchase price, if any, to be paid by the Participant for each Restricted Stock Unit;
- (c) the restriction period established pursuant to Subsection 10.2;
- (d) whether dividend equivalents will be credited with respect to Restricted Stock Units, and if so, any accrual, forfeiture, or payout restrictions on the dividend equivalents; provided that dividend equivalents will not be credited if they are determined to be "nonqualified deferred compensation" under Section 409A of the Code;
- (e) rights of the Participant upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination); and
- (f) any other terms or conditions established by the Committee.

10.2 *Restriction Period.* At the time of the grant of Restricted Stock Units, the Committee shall establish a restriction period, which may be time-based, based on the achievement of specified Performance Goals, a combination of time- and Performance Goal-based, or based on any other criteria the Committee deems appropriate. The Committee may divide the awarded units into classes and assign a different restriction period for each class. The Committee may impose any additional conditions or restrictions upon the vesting of the Restricted Stock Units as it deems fit in its sole discretion. If all applicable conditions are satisfied, then upon the termination of the restriction period with respect to a Restricted Stock Unit, the unit shall vest. To the extent required to ensure that a Performance Goal-based Award of Restricted Stock Units to an executive officer is deductible by the Company pursuant to Section 162(m) of the Code, any such Award shall become vested only upon the Committee's determination that the Performance Goals applicable to the Award, if any, have been attained.

10.3 *Payment.* Upon vesting of a Restricted Stock Unit, the Participant shall be entitled to receive payment of an amount equal to the Fair Market Value of one share of Stock. Payment may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

11. *Performance Units.*

11.1 *Terms and Agreement.* Subject to the terms of the Plan, Performance Units may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Performance Units granted:

- (a) the number of Performance Units awarded;
- (b) the initial value of a Performance Unit;

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- (c) the rights of the Participant upon Termination of Employment or termination of service as a Director (which may be different based on the reason for termination);
- (d) the performance period and Performance Goals applicable to the Award; and
- (e) any other terms or conditions established by the Committee.

11.2 *Payment.* After the applicable performance period has ended, the Committee will review the Performance Goals and determine the amount payable with respect to the Award, based upon the extent to which the Performance Goals have been attained within the performance period and any other applicable terms and conditions. Payment of earned Performance Units may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

12. *Performance Shares.*

12.1 *Terms and Agreement.* Subject to the terms of the Plan, Performance Shares may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Performance Shares granted:

- (a) the number of Performance Shares awarded;
- (b) the performance period and Performance Goals applicable to the Award;
- (c) whether dividend equivalents will be credited with respect to Performance Shares, and if so, any accrual, forfeiture, or payout restrictions on the dividend equivalents; provided that dividend equivalents will not be credited if they are determined to be "nonqualified deferred compensation" under Section 409A of the Code;
- (d) the rights of the Participant upon Termination of Employment or service as a Director (which may be different based on the reason for termination); and
- (e) any other terms or conditions established by the Committee.

12.2 *Initial Value.* The initial value of each Performance Share shall be the Fair Market Value on the date of grant.

12.3 *Payment.* After the applicable performance period has ended, the Committee will review the Performance Goals and determine the amount payable with respect to the Award, based upon the extent to which the Performance Goals have been attained within the performance period and any other applicable terms and conditions. Payment of earned Performance Shares may be made in cash, Stock, or a combination of cash and Stock, as determined by the Committee in its sole discretion.

13. *Annual Incentive Awards.*

13.1 *Award Period and Performance Goals.* The award period for Annual Incentive Awards is a fiscal year, which may be a calendar year. Within 90 days of the beginning of each award period, the Committee shall establish the specific Performance Goals to be achieved in order for Participants to earn an Annual Incentive Award. The Committee shall establish a mathematical formula pursuant to which an Award equal to a specified percentage of a Participant's salary

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shall be earned upon the attainment of specific levels of the applicable Performance Goals. The Performance Goals and formula, once established, shall continue for subsequent years unless modified by the Committee. The Performance Goals applicable to an Award Period, and the formula pursuant to which Award amounts shall be determined, shall be selected and published within 90 days from the beginning of the award period.

13.2 *Payment.* As soon as practical after the conclusion of the award period, the Committee shall review and evaluate the Performance Goals applicable to that award period in light of performance measured in accordance with the goals and shall determine whether the goals have been satisfied. If satisfied, the Committee shall so certify in a written statement and shall apply the criteria to determine the amount of the Award for each Participant, subject to the Committee's right to reduce or eliminate the amount of any Award under Section 31. Payment of earned Annual Incentive Awards may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion. No Award may be paid to a Participant in excess of \$3,000,000 for any single year.

14. *Stock Bonuses.* Subject to the terms of the Plan, a Stock Bonus may be granted to one or more Participants at any time as determined by the Committee. If the Committee grants a Stock Bonus, a certificate for the shares of Stock constituting the Stock Bonus shall be issued in the name of the Participant to whom the grant was made and delivered as soon as practicable after the date on which the Stock Bonus is payable.

15. *Rights as a Shareholder.* Except as otherwise provided in Section 9.4 with respect to Restricted Stock, no person shall have any rights as a Shareholder with respect to any shares of Stock covered by or relating to an Award until the date of issuance of a stock certificate with respect to the shares (or, if such shares are held in "book-entry" form, the date upon which a stock certificate first could have been issued). Except as otherwise provided in Sections 3.3, 10.1 and 12.1, no adjustment to any Award shall be made for dividends or other rights for which the record date occurs prior to the date the stock certificate is issued.

16. *Awards Subject to Code Section 409A.* Any Award that constitutes, or provides for, a deferral of compensation subject to Section 409A of the Code (a "Section 409A Award") shall comply in form and operation with the requirements of Section 409A of the Code and this Section 16, to the extent applicable. The Award Agreement with respect to a Section 409A Award shall incorporate the terms and conditions required by Section 409A of the Code and this Section 16.

16.1 *Specified Employee Restriction.* In the case of a Participant who is a "specified employee," the distributions with respect to the Section 409A Award payable upon the Participant's separation from service may not be made before the date which is six months after the Participant's separation from service (or, if earlier, the date of the Participant's death). For purposes of this section, a Participant shall be a "specified employee" if such Participant is a key employee (as defined in Code Section 416(i) without regard to paragraph (5) thereof) of a corporation any stock of which is publicly traded on an established securities market or otherwise, as determined under Code Section 409A(a)(2)(B)(i) and the regulations thereunder.

17. *Securities Matters.*

17.1 *Delivery of Stock Certificates.* Notwithstanding anything in this Plan to the contrary, the Company shall not be obligated to issue or deliver any certificates evidencing shares of Stock unless and until (a) the Company is advised by its counsel that the issuance and delivery of certificates is in compliance with all applicable laws, regulations of governmental authority, and

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the requirements of any securities exchange on which the Stock is traded; and (b) any governmental approvals the Company deems necessary or advisable have been obtained. The Committee may require, as a condition of the issuance and delivery of certificates, that the recipient make any agreements and representations and that the certificates bear any legends as the Committee, in its sole discretion, deems necessary or desirable.

17.2 *When Transfer Is Effective.* The transfer of any shares of Stock shall be effective only when counsel to the Company has determined that the issuance and delivery of the shares is in compliance with all applicable laws, regulations, and the requirements of any securities exchange on which shares of Stock are traded. The Committee may, in its sole discretion, defer the effectiveness of any transfer of shares of Stock in order to allow the issuance of the shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of deferral in connection with the exercise of an Option, the Participant may, by written notice, withdraw the exercise and obtain the refund of any amount paid in connection with the exercise.

18. *Withholding Taxes.* When cash is to be paid pursuant to an Award, an amount sufficient to satisfy any federal and state taxes required by law to be withheld shall be deducted from the payment. When shares of Stock are to be delivered pursuant to an Award, the Participant shall remit in cash an amount sufficient to satisfy any federal and state taxes required by law to be withheld; provided that if permitted by the Committee in its sole discretion, a Participant may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold shares of Stock having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections shall be irrevocable, made in writing, and signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate. The shares shall be valued at Fair Market Value on the date the amount of tax to be withheld is determined.

19. *Amendment and Termination.* The Committee may, at any time, amend or terminate the Plan; provided that no amendment shall be made without Shareholder approval if approval is required under applicable law or if the amendment would (a) decrease the grant or exercise price of any Stock-based Award to less than the Fair Market Value on the date of grant, (b) increase the total number of shares of Stock available under the Plan, or (c) materially increase the benefits to Participants. Any amendment or termination shall not (i) violate Section 409A of the Code, or (ii) adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent, provided that an amendment may adversely affect the vested or accrued rights of a Participant without the Participant's prior consent if such amendment is necessary to comply with Section 409A of the Code or if, in the Committee's sole discretion, not amending a Participant's vested or accrued rights or benefits would have adverse consequences to the Company.

20. *Transfers upon Death; Nonassignability.* Upon the death of a Participant, outstanding Awards granted to the Participant may be exercised only by a beneficiary designated pursuant to Section 30, the executor or administrator of the Participant's estate, or a person who has acquired the right to exercise by will or the laws of descent and distribution. No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Committee has been furnished with (a) written notice and a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer, and (b) an agreement by the transferee to comply with all the terms and conditions of the Award that would have applied to the Participant and

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to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

During the lifetime of a Participant, no Award is transferable.

21. *Expenses and Receipts.* The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Award may be used for general corporate purposes.

22. *Change in Control Provisions.*

22.1 *Vesting and Exercisability.* Notwithstanding any other provision of this Plan to the contrary, the provisions of this Article 22 shall apply in the event of a Change in Control, unless otherwise determined by the Committee in connection with the grant of an Award as reflected in the applicable Award Agreement. Upon a Change in Control, all then-outstanding Stock Options and Stock Appreciation Rights shall become fully vested and exercisable, and all other then-outstanding Awards that are subject solely to time-based vesting shall vest in full and be free of restrictions, except to the extent that another Award meeting the requirements of Section 22.2 (a "Replacement Award") is provided to the Participant to replace such Award (the "Replaced Award"); provided that, the Committee shall have the discretion to provide in any Award Agreement that, if no Replacement Award is granted, all then-outstanding Stock Options subject to such Award Agreement shall automatically terminate if not exercised prior to or in connection with such Change in Control and the value of all Stock Appreciation Rights and all other Awards that are subject solely to time-based vesting subject to such Award Agreement shall be finally be determined with reference to such Change in Control. Notwithstanding the foregoing, upon a Change in Control, the Committee may in its sole discretion pay cash to any or all Participants in exchange for the cancellation of their outstanding Awards. Upon a Change in Control, the treatment of any other Awards shall be as determined by the Committee at the time of grant, as reflected in the applicable Award Agreement.

22.2 *Replacement Awards.* An Award shall meet the conditions of this Section 22.2 and qualify as a Replacement Award if:

- (a) it has a value at least equal to the value of the Replaced Award as determined by the Committee in its sole discretion;
- (b) it relates to equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; and
- (c) its other terms and conditions are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control).

Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award as long as the preceding requirements of this Section 22.2 are satisfied. The determination of whether the requirements of this Section 22.2 are satisfied shall be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

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22.3 Subsequent Termination of Employment. Upon a Termination of Employment or termination of directorship of a Participant occurring in connection with or during the period of two (2) years after such Change in Control, other than termination for a Disciplinary Reason, (i) all Replacement Awards held by the Participant shall become fully vested and (if applicable) exercisable and free of restrictions, and (ii) all Stock Options and Stock Appreciation Rights held by the Participant immediately before the termination of employment or termination of directorship that the Participant held as of the date of the Change in Control or that constitute Replacement Awards shall remain exercisable for not less than one (1) year following such termination or until the expiration of the stated term of such Stock Option or SAR, whichever period is shorter; provided, that if the applicable Award Agreement provides for a longer period of exercisability, that provision shall control.

22.4 No Amendment. Notwithstanding Section 19, upon a Change in Control, the provisions of this Section 22 may not be amended in any respect for twelve months following a Change in Control but may be amended thereafter.

23. Claims Procedure. Claims for benefits under the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's compensation manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the compensation manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the compensation manager shall notify the claimant in writing. This written notice shall:

- (a) state the specific reasons for the denial;
- (b) refer to Plan provisions on which the determination is based;
- (c) describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary; and
- (d) explain how the claimant may submit the claim for review and state applicable time limits.

24. Claims Review Procedure. Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records, or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 23 and shall be filed with the Company's compensation manager. The manager shall promptly inform the Company's senior human resources officer. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day

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period. The written decision shall be final and binding on all parties and shall state the facts and specific reasons for the decision and refer to the Plan provisions upon which the decision is based.

25. *Lawsuits; Venue; Applicable Law.* No lawsuit claiming entitlement to benefits under this Plan may be filed prior to exhausting the claims and claims review procedures described in Sections 23 and 24. Any lawsuit must be initiated no later than (a) one year after the event(s) giving rise to the claim occurred, or (b) 60 days after a final written decision was provided to the claimant under Section 24, whichever is sooner. Any legal action involving benefits claimed or legal obligations relating to or arising under this Plan may be filed only in Federal District Court in the city of Boise, Idaho. Federal law shall be applied in the interpretation and application of this Plan and the resolution of any legal action. To the extent not preempted by federal law, the laws of the state of Delaware shall apply.

26. *Participant Rights.* No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation to treat Participants uniformly.

27. *Unsecured General Creditor.* Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company. The assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be an unfunded and unsecured promise of the Company.

28. *No Fractional Shares.* No fractional shares of Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of any fractional shares or whether fractional shares or any rights to fractional shares shall be forfeited or otherwise eliminated.

29. *Beneficiary.* A Participant who is an elected officer of the Company or a Director may file with the Committee a written designation of a beneficiary on the form prescribed by the Committee and may, from time to time, amend or revoke the designation. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If no beneficiary has been designated or survives the Participant, payment shall be made to the Participant's estate.

30. *Employment Not Guaranteed.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company and/or any subsidiary or affiliate of the Company is at will, which means that either the employee or the employer may end the employment relationship at any time and for any reason. Nothing in this Plan changes, or should be construed as changing, that at-will relationship.

31. *Section 162(m).* The Plan is designed and intended, and all provisions shall be construed in a manner, to comply, to the extent applicable, with Section 162(m) of the Code and the regulations thereunder. To the extent permitted by Section 162(m), the Committee shall have sole discretion to reduce or eliminate the amount of any Award which might otherwise become payable upon attainment of a Performance Goal.

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32. *Form of Communication.* Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Committee or the Company shall be made in writing and in such form as the Company may prescribe. Any communication shall be effective upon receipt by the Company's compensation manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728.

33. *Severability.* If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected.

34. *Effective Date and Term of Plan.* The Plan has been adopted and approved by the Board of Directors and the Company's Shareholders. The Plan will become effective upon the close of the transaction entered into between Boise Cascade L.L.C. and Aldabra 2 Acquisition Corp. as set forth in the Purchase and Sale Agreement dated September 7, 2007 (that date being the "Effective Date"). The Plan will expire on the tenth anniversary of the Effective Date, unless terminated earlier. The Board of Directors or the Committee may terminate the Plan at any time prior to such expiration date. Awards outstanding at the expiration or termination of the Plan shall remain in effect according to their terms and the provisions of the Plan.

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Boise Inc.
1111 West Jefferson Street, Suite 200
Boise, ID 83702-5388
208-384-7000
www.BoiseInc.com

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The _____ trademark used in this Proxy Statement is the property of Boise Cascade, L.L.C., or its affiliates.

Dear Shareholder:

Boise Inc. will hold its Annual Shareholders Meeting on Thursday, April 23, 2009, at 10:00 a.m. Mountain Daylight Time at the company's headquarters in the Boise Plaza Building, 1111 West Jefferson Street, Suite 200, Boise, Idaho 83702-5388. The meeting will be held in the 1-West A.V. Conference Room.

Shareholders of record on March 13, 2009, are entitled to vote by proxy, before or at the meeting. You may use the proxy and voting instruction card at the bottom of this page to designate proxies.

Continental Stock Transfer & Trust Company is our independent inspector of election and they will receive and tabulate individual proxy and voting instruction cards.

Please indicate your voting preferences on the card, **sign**, and **date** the card, and return it to Continental Stock Transfer & Trust Company in the envelope provided.

Thank you.

**PLEASE FOLD AND DETACH HERE AND READ THE
REVERSE SIDE**

**PROXY AND VOTING INSTRUCTION CARD
THIS PROXY IS SOLICITED ON BEHALF
OF THE BOARD OF DIRECTORS.**

**BOISE INC.
ANNUAL SHAREHOLDERS MEETING
APRIL 23, 2009**

The shareholder signing this card appoints Alexander Toeldte, Robert M. McNutt, and Karen E. Gowland as proxies, each with the power to appoint a substitute. They are directed to vote (as indicated on the reverse side of this card), all of the shareholder's Boise Inc. stock held on March 13, 2009, at the company's Annual Shareholders Meeting to be held on April 23, 2009, and at any adjournment of that meeting. They are also given discretionary authority to vote on any other matters that may properly be presented at the meeting.

This proxy will be voted according to your instructions. If you sign and return the card but do not vote on these matters, then the three director nominees and Proposal 2 will receive **FOR** votes.

(Continued and to be marked, signed, and dated on the reverse side)

PROXY AND VOTING INSTRUCTION CARD

**BOISE INC.
ANNUAL SHAREHOLDERS MEETING
APRIL 23, 2009**

	PLEASE FOLD AND DETACH HERE AND READ THE REVERSE SIDE	
--	--	--

THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR THE PROPOSALS. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF BOISE INC.

Please
mark
your vote
like
this **X**

FOR WITHHOLD
all AUTHORITY
 for all

Edgar Filing: First California Financial Group, Inc. - Form DEFM14A

	nominees	nominees		FOR	AGAINST	ABSTAIN
1. ELECTION OF DIRECTORS	<input type="radio"/>	<input type="radio"/>	2. PROPOSAL TO APPROVE AN AMENDMENT TO THE BOISE INC. INCENTIVE AND PERFORMANCE PLAN	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Carl A. Albert
 Thomas S. Souleles
 Jason G. Weiss

3. In their discretion, the proxies are authorized to vote on any other matters that may properly be presented at the meeting.

(To withhold authority to vote for any individual nominee, strike a line through that nominee's name in the list above)

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature		Signature		Date	
-----------	--	-----------	--	------	--

NOTE: Please sign exactly as name appears hereon. When shares are held by joint owners, both owners should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.