

FIRST COMMUNITY BANCORP /CA/  
Form S-4  
July 26, 2006  
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As filed with the Securities and Exchange Commission on July 26, 2006.

Registration No. 333-

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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## FORM S-4

### REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

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# FIRST COMMUNITY BANCORP

(Exact name of Registrant as specified in its charter)

**California**  
(State or other jurisdiction of  
incorporation or organization)

**6712**  
(Primary Standard Industrial  
Classification Code Number)

**33-0885320**  
(I.R.S. Employer  
Identification No.)

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**6110 El Tordo**

**PO Box 2388**

**Rancho Santa Fe, California 92067**

**(858) 756-3023**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**Jared M. Wolff, Esq.**

**Executive Vice President, General Counsel and Secretary**

**120 Wilshire Boulevard**

**Santa Monica, California 90401**

**(310) 458-1521**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies To:*

**Patrick S. Brown, Esq.**  
**Sullivan & Cromwell LLP**  
**1888 Century Park East**  
**Los Angeles, California 90067**  
**(310) 712-6600**

**John Stuart, Esq.**  
**Reitner, Stuart & Moore**  
**1319 Marsh Street**  
**San Luis Obispo, CA 93401**  
**(805) 545-8590**

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**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after the effective date of this Registration Statement and upon consummation of the transactions described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

**CALCULATION OF REGISTRATION FEE**

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<b>Title of each class of securities to be registered</b>	<b>Amount to be registered<sup>(1)</sup></b>	<b>Proposed maximum offering price per share</b>	<b>Proposed maximum aggregate offering price<sup>(2)</sup></b>	<b>Amount of registration fee<sup>(2)</sup></b>
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Common Stock, no par value	4,612,820	n/a	\$ 249,029,498	\$ 26,647
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- (1) Represents the maximum number of shares of First Community Bancorp common stock, no par value per share, estimated to be issuable upon completion of the merger of Community Bancorp Inc. with and into First Community (based on the number of shares of common stock, par value \$0.625 per share, of Community Bancorp outstanding on July 20, 2006 and assuming the exercise of an estimated 150,000 options to purchase Community Bancorp common stock prior to closing).
  - (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rule 457(c) and 457(f)(1) of the Securities Act. The proposed maximum offering price is equal to the product of (a) \$39.68, the average of the high and low prices per share of the common stock of Community Bancorp as reported on the Nasdaq National Market on July 19, 2006, and (b) the maximum number of shares of Community Bancorp common stock to be cancelled pursuant to the merger (calculated as 6,275,945 which includes the number of shares of Community Bancorp common stock outstanding (6,125,945) as of July 20, 2006 and assumes the exercise of an estimated 150,000 options to purchase Community Bancorp common stock prior to closing).
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**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and may change. First Community Bancorp may not issue the securities being offered by use of this document until the registration statement filed with the Securities and Exchange Commission, of which this document is a part, is effective. This document is not an offer to sell these securities, nor is it soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION, DATED JULY 26, 2006**

**PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT**

The boards of directors of First Community Bancorp and Community Bancorp Inc. have both unanimously approved a merger agreement between First Community and Community Bancorp pursuant to which Community Bancorp will be merged with and into First Community.

If the merger is completed, Community Bancorp stockholders will receive 0.735 of a share of First Community common stock for each of their shares of Community Bancorp common stock, subject to certain adjustments described in this document. The exchange ratio may be adjusted based on whether the average closing price of First Community common stock remains within a 15% collar as measured during a measurement period prior to the closing of the transaction. If such average price is outside the collar, and if the change in such price is disproportionate to an agreed upon banking index, the merger agreement may be terminated, in the case of a significant increase, by First Community unless the exchange ratio is adjusted by Community Bancorp, and may be terminated, in the case of a significant decline, by Community Bancorp unless the exchange ratio is adjusted by First Community. You should read the section entitled "The Merger Merger Consideration," starting on page 35 of this joint proxy statement-prospectus.

We are asking the Community Bancorp stockholders to adopt the merger agreement. We are asking First Community shareholders to approve a proposal to amend the bylaws of First Community to provide that the number of directors on the First Community board will range from seven to fifteen with the exact number at any time to be determined by resolution of the board of directors. This amendment to the bylaws will, among other things, allow First Community to fulfill its obligation under the merger agreement to appoint two members of the Community Bancorp board of directors to the First Community board of directors at completion of the merger. First Community's shareholders are not being asked to vote on the merger itself. *Each company's board of directors unanimously recommends that the holders of its common stock vote FOR the applicable proposal.*

First Community common stock is listed on the Nasdaq National Market under the symbol FCBP. Community Bancorp common stock is listed on the Nasdaq National Market under the symbol CMBC. On \_\_\_\_\_, 2006, First Community common stock closed at \$ \_\_\_\_\_ per share and Community Bancorp common stock closed at \$ \_\_\_\_\_ per share.

First Community and Community Bancorp have scheduled meetings to vote on these matters. The date, time and place of the meetings are:

FOR FIRST COMMUNITY SHAREHOLDERS  
[Date] [Time]

FOR COMMUNITY BANCORP STOCKHOLDERS  
[Date] [Time]

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[Place]  
[Address]  
[City], California [zip]

[Place]  
[Address]  
[City], California [zip]

Only holders of record as of \_\_\_\_\_, 2006 are entitled to attend and vote at the applicable meeting. This document describes the meetings, the proposed merger and other related matters of First Community and Community Bancorp. **Please read this entire document carefully, including the section discussing Risk Factors beginning on page 21.** The joint proxy statement-prospectus incorporates important business and financial information and risk factors about the companies that is not included in or delivered with this document. See [Where You Can Find More Information](#) on page 97.

Your vote is important. Whether or not you plan to attend your company's meeting, please take the time to vote by completing and mailing the enclosed proxy card, or, if you are a Community Bancorp stockholder, by voting via the Internet or telephone according to the instructions on the proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the merger proposal if you are a Community Bancorp stockholder and the proposal to amend the bylaws if you are a First Community shareholder. **Whether or not you plan to attend your company's meeting, please vote as soon as possible to make sure that your shares are represented at the meeting. Voting by proxy will not prevent you from voting in person if you choose to attend your company's meeting. However, if you do not vote, it will have the same effect as a vote against the merger proposal if you are a Community Bancorp stockholder and against the proposal to amend the bylaws if you are a First Community shareholder.**

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**Matthew P. Wagner**

*President and Chief Executive Officer*

*First Community Bancorp*

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**Michael J. Perdue**

*President and Chief Executive Officer*

*Community Bancorp Inc.*

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares to be issued under this joint proxy statement-prospectus or passed upon the adequacy or accuracy of this joint proxy statement-prospectus. Any representation to the contrary is a criminal offense.

The securities offered through this document are not savings accounts, deposits or other obligations of a bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

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This joint proxy statement-prospectus is dated \_\_\_\_\_, 2006

and was first mailed on or about \_\_\_\_\_, 2006.

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**6110 El Tordo**

**PO Box 2388**

**Rancho Santa Fe, California 92067**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD** , 2006

**TO FIRST COMMUNITY SHAREHOLDERS:**

NOTICE IS HEREBY GIVEN that First Community Bancorp will hold a special meeting of its shareholders on , 2006 at , local time, at , for the following purposes:

1. **Amendment to the Company Bylaws.** To consider and vote on a proposal to amend First Community s bylaws to provide that the number of directors on the First Community board will range from seven to fifteen with the exact number at any time to be determined by resolution of the board of directors.
2. **Adjournments.** To consider and vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies.

We more fully describe the bylaw amendment and the merger in the attached joint proxy statement-prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement-prospectus.

The board of directors has fixed the close of business on , 2006 as the record date for determining which shareholders have the right to receive notice of and to vote at the special meeting or any adjournments or postponements thereof.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL TO AMEND FIRST COMMUNITY S BYLAWS AS DESCRIBED ABOVE, WHICH IS DESCRIBED IN DETAIL IN THE ACCOMPANYING JOINT PROXY STATEMENT-PROSPECTUS.**

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**Whether or not you plan to attend the meeting, please mark, sign, date and return the enclosed proxy card in the enclosed envelope so that as many shares as possible may be represented at the meeting.** Your vote is important and we appreciate your cooperation in returning promptly your executed proxy card. Your proxy is revocable and will not affect your right to vote in person at the special meeting.

If you plan to attend, please note that admission to the special meeting will be on a first-come, first-served basis. Each shareholder may be asked to present valid picture identification, such as a driver's license or passport. Shareholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage account statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

**BY ORDER OF THE BOARD OF DIRECTORS**

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**Jared M. Wolff, *Corporate Secretary***

**Rancho Santa Fe, California**

**, 2006**

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**900 Canterbury Place, Suite 300**

**Escondido, California 92025**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD** , 2006

**TO COMMUNITY BANCORP STOCKHOLDERS:**

NOTICE IS HEREBY GIVEN that Community Bancorp Inc. will hold a special meeting of its stockholders on , 2006 at , local time, at , California, for the following purposes:

1. **Approval of Merger.** To consider and vote on a proposal to adopt the Agreement and Plan of Merger by and between First Community Bancorp and Community Bancorp Inc., dated as of May 15, 2006.
2. **Adjournments.** To consider and vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies.

We more fully describe the merger proposal and the merger in the attached joint proxy statement-prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement-prospectus.

The board of directors has fixed the close of business on , 2006 as the record date for determining which stockholders have the right to receive notice of and to vote at the special meeting or any adjournments or postponements thereof.

**YOUR BOARD OF DIRECTORS HAS DETERMINED THAT THE MERGER IS FAIR TO AND IN THE BEST INTERESTS OF COMMUNITY BANCORP AND ITS STOCKHOLDERS AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE PROPOSED MERGER AGREEMENT.**

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU SHOULD MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE OR VOTE BY TELEPHONE OR THE INTERNET.** Returning the enclosed proxy or voting by telephone or over the Internet will assure that your vote will be counted and it will not prevent you from voting in person if you choose to attend the special meeting.

**BY ORDER OF THE BOARD OF DIRECTORS**

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**Richard M. Sanborn, *Corporate Secretary***

**Escondido, California**

**, 2006**

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**Sources of Additional Information**

This document incorporates important business and financial information about First Community and Community Bancorp from documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to First Community and Community Bancorp that are incorporated by reference in this document, without charge, through the website of the Securities and Exchange Commission, or SEC, at <http://www.sec.gov> or by requesting them in writing or by telephone from the appropriate company.

First Community Bancorp  
Attn: Investor Relations  
275 N. Brea Blvd.  
Brea, California 92821  
[www.firstcommunitybancorp.com](http://www.firstcommunitybancorp.com)  
Phone: (714) 671-6800

Community Bancorp Inc.  
Attn: Investor Relations  
900 Canterbury Place, Suite 300  
Escondido, California 92025  
[www.mycnbonline.com](http://www.mycnbonline.com)  
Phone: (760) 432-1100

(All website addresses given in this document are for information only and are not intended to be an active link or to incorporate any website information into this document.)

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this document.

**In order to receive timely delivery of requested documents in advance of your meeting, you should make your request no later than , 2006.**

All information contained in this joint proxy statement-prospectus with respect to Community Bancorp has been supplied by Community Bancorp. All information contained in this joint proxy statement-prospectus with respect to First Community has been supplied by First Community.

You should rely only on the information provided or incorporated by reference in this joint proxy statement-prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this joint proxy statement-prospectus is accurate as of any date other than the date on the front of the document.

**See Where You Can Find More Information beginning on page 97.**

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**QUESTIONS AND ANSWERS**

*Q: What am I being asked to vote on?*

A: If you are a Community Bancorp stockholder, you are being asked to vote on the adoption of the Agreement and Plan of Merger, dated as of May 15, 2006, between First Community and Community Bancorp. In addition, you are being asked to vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies in favor of the merger proposal.

If you are a First Community shareholder, you are being asked to vote to approve an amendment to First Community's bylaws to provide that the number of directors on the First Community board will range from seven to fifteen with the exact number at any time to be determined by resolution of the board of directors. Currently, the bylaws provide that the First Community board will range from seven to twelve directors, and there are eleven members of the board. The amendment to the bylaws will, among other things, allow First Community to fulfill its obligation under the merger agreement to appoint two members of the Community Bancorp board of directors to the First Community board of directors at completion of the merger. In addition, you are being asked to vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies in favor of the proposal to amend the bylaws. First Community shareholders are not being asked to vote on the merger itself.

*Q: What do I need to do now?*

A: In order to ensure that your shares are represented and voted at the First Community special meeting or the Community Bancorp special meeting:

Carefully read this joint proxy statement-prospectus;

If you are a First Community shareholder, just indicate on your proxy card how you want your shares to be voted, then sign, date and mail the proxy card in the enclosed prepaid return envelope marked Proxy, as soon as possible; or

If you are a Community Bancorp stockholder, just indicate on your proxy card how you want your shares voted and then sign, date and mail the proxy card in the enclosed prepaid return envelope marked Proxy or vote your shares by telephone or via the Internet, in accordance with the instructions set forth on your proxy card, as soon as possible.

*Q: Who is entitled to vote?*

A: Community Bancorp stockholders of record at the close of business on \_\_\_\_\_, 2006, or the record date, are entitled to receive notice of and to vote on matters that come before the Community Bancorp special meeting and any adjournments or postponements of the Community Bancorp special meeting. First Community shareholders of record at the close of business on the record date are entitled to receive notice of and to vote on matters that come before the First Community special meeting and any adjournments and postponements of the First Community special meeting.

*Q: What shareholder approvals are needed?*

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- A: The affirmative vote of the holders of a majority of the outstanding shares of Community Bancorp common stock entitled to vote at the special meeting is required to adopt the merger agreement. As of the record date, the directors and officers of Community Bancorp beneficially owned, in the aggregate, approximately % of the outstanding shares of Community Bancorp common stock (which does not include shares issuable upon the exercise of stock options that were not outstanding as of the record date). They have agreed to vote these shares in favor of the merger proposal.

In addition, an amendment to the First Community bylaws to provide for a range of directorships from seven to fifteen with the exact number at any time to be determined by board resolution must be approved by the holders of a majority of the outstanding shares of First Community common stock entitled to vote at the First Community special meeting. No vote of First Community shareholders on the merger itself is required. However, it is a

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condition to the parties' obligations under the merger agreement that First Community shareholders approve the proposal to amend the bylaws. Accordingly, we cannot complete the merger unless the bylaw amendment is approved or the parties agree to waive that condition. As of the record date, the directors of First Community beneficially owned, in the aggregate, approximately % of the outstanding shares of First Community common stock (which does not include shares issuable upon the exercise of stock options or shares held under First Community's Deferred Compensation Plan which the directors and officers were not entitled to vote as of the record date). They have agreed to vote these shares in favor of the proposal to amend the First Community bylaws.

*Q: How many votes do I have?*

A: Each holder is entitled to one vote for each share recorded in the holder's name on the books of First Community or Community Bancorp, as applicable, as of the record date on any matter submitted for a vote at the special meetings or any adjournments or postponements thereof.

*Q: How will voting on any other business be conducted at the First Community or Community Bancorp special meetings?*

A: First Community does not know of any business to be considered at the special meeting other than that described above. If any other business not included in this document is properly presented at the special meeting, any of the persons named on the proxy card as your designated proxies may vote on such matter in their discretion.

Community Bancorp does not know of any business to be considered at the special meeting other than that described above. If any other business not included in this document is properly presented at the special meeting, the persons named on the proxy card as your designated proxies may vote on such matter in their discretion.

*Q: Why is my vote important?*

A: If you do not return your proxy card at or prior to the appropriate meeting (or, if you are a Community Bancorp stockholder, you also do not vote by telephone or via the Internet), it will be more difficult for First Community and Community Bancorp to obtain the necessary quorum to hold their meetings. In addition, if you are a Community Bancorp stockholder and you fail to vote, it will have the same effect as a vote against the merger proposal and, if you are a First Community shareholder and you fail to vote, it will have the same effect as a vote against the proposal to amend its bylaws.

*Q: Can I change my vote after I have mailed my signed proxy card?*

A: Yes. If you have not voted through your broker, there are three ways for you to revoke your proxy and change your vote. First, you may send a written notice to the corporate secretary of your company stating that you would like to revoke your proxy, which notice must be received prior to the meeting date. Second, you may complete and submit a new proxy card, but it must bear a later date than the original proxy or, if you are a Community Bancorp stockholder, you may vote by telephone or via the Internet on a date subsequent to your prior vote. Third, you may vote in person at your company's meeting. If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote. Your last vote will be the vote that is counted.

In the event you choose to revoke or amend prior instructions, we recommend that you revoke or amend them in the same way you initially gave them—that is, by telephone, internet or in writing. This will help to ensure that your shares are voted the way you have finally determined you wish them to be voted.

*Q: If my shares are held in street name by my broker, will my broker vote my shares for me?*

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- A: Without instructions from you, your broker cannot vote your shares on the merger proposal and the proposal to amend First Community's bylaws. If your shares are held in street name, you should instruct your broker as to how to vote your shares, following the instructions contained in the voting instructions card that your broker provides to you. Without instructions, your shares will not be voted,

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which will have the same effect as if you voted against the merger proposal and the proposal to amend First Community's bylaws.

*Q: If I hold shares of either company pursuant to either the First Community 401(k) Plan or the Community National Bank 401(k) Plan, will I be able to vote?*

A: Yes. You should instruct the 401(k) plan trustee how to vote the shares allocated to your plan account, following the instructions contained in the voting instructions card that the plan administrator provides to you.

*Q: What if I don't vote?*

A: If you fail to respond or if you respond and vote "abstain", it will have the same effect as a vote against the merger proposal, if you are a Community Bancorp stockholder, and the proposal to amend the bylaws, if you are a First Community shareholder. If you respond and do not indicate how you want to vote, your proxy will be counted as a vote in favor of your meeting's proposals.

*Q: I own shares of both First Community and Community Bancorp common stock. Should I only vote once?*

A: No. If you own shares of both companies, you will receive separate proxy cards for each meeting. It is important that you vote at both meetings, so please complete, sign, date and return your First Community proxy card as instructed and complete, sign, date and return your Community Bancorp proxy card as instructed, or vote by telephone or via the Internet.

*Q: What risks should I consider before I vote on the merger proposal?*

A: We encourage you to read carefully the detailed information about the merger contained in this joint proxy statement-prospectus, including the section entitled "Risk Factors" beginning on page 21 and other factors that are discussed in documents that the parties have filed with the Securities and Exchange Commission and which are incorporated by reference in this joint proxy statement-prospectus.

*Q: Do I have appraisal or dissenters' rights if I object to the merger?*

A: No. As a holder of Community Bancorp common stock, you are not entitled to appraisal rights under the Delaware General Corporation Law in connection with the merger. Furthermore, holders of First Community common stock are not entitled to dissenters' rights under California General Corporation Law in connection with the merger.

*Q: Should I send in my stock certificates now?*

A: No. After the merger is completed, we will send Community Bancorp stockholders written instructions for exchanging their stock certificates for First Community stock certificates. First Community shareholders will keep their existing stock certificates.

*Q: Whom should I contact with questions about the meetings or the merger?*

A: First Community shareholders may contact:

First Community Bancorp

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120 Wilshire Blvd.

Santa Monica, CA 90401

Attn: Corporate Secretary

(310) 458-1521

Community Bancorp stockholders may contact:

Community Bancorp Inc.

900 Canterbury Place, Suite 300

Escondido, CA 92025

Attn: Corporate Secretary

(760) 432-1100

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**SUMMARY**

This section briefly summarizes selected information in this joint proxy statement-prospectus and does not contain all of the information that may be important to you. You should carefully read this entire document and the other documents which are incorporated herein. See **Where You Can Find More Information** beginning on page 97. Unless we have stated otherwise, all references in this document to **First Community** are to **First Community Bancorp**; all references to **Community Bancorp** are to **Community Bancorp Inc.**; all references to the merger agreement or plan of merger are to the **Agreement and Plan of Merger by and between First Community and Community Bancorp**, dated as of May 15, 2006, a copy of which is attached as Appendix A to this document; all references to the merger are to the merger between **First Community and Community Bancorp**; and all references to the bank merger are to the merger between **First National Bank and Community National Bank**. Each item in this summary contains a page reference directing you to a more complete description of that item. References to **we**, **our** and **us** in this summary mean **First Community and Community Bancorp together**.

*The Companies (Pages 69,72)*

*First Community Bancorp*

*6110 El Tordo*

*PO Box 2388*

*Rancho Santa Fe, California 92067*

*(858) 756-3023*

First Community's principal business is to serve as a holding company for its banking subsidiaries, Pacific Western National Bank and First National Bank. Through its banks' 57 full-service community banking branches, First Community provides commercial banking services, including real estate, construction and commercial loans, to small and medium-sized businesses. Pacific Western is a federally chartered commercial bank that serves the commercial, industrial, professional, real estate and private banking markets through a network of 42 branches throughout Los Angeles, Orange, Riverside and San Bernardino Counties and 1 branch in San Francisco, California. First National Bank is a federally chartered commercial bank that serves the commercial, real estate, construction, small business, international and private banking markets through a network of 14 branches across San Diego County. First National Bank provides working capital financing to growing companies located throughout the Southwest, primarily in the states of Arizona, California and Texas, through its subsidiary First Community Financial.

As of June 30, 2006, First Community had total consolidated assets of approximately \$4.6 billion, total consolidated loans, net of unearned income, of approximately \$3.4 billion, total consolidated deposits of approximately \$3.2 billion and total consolidated shareholders' equity of approximately \$876.9 million. First Community had 841 full time equivalent employees on June 30, 2006.

*Community Bancorp Inc.*

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*900 Canterbury Place, Suite 300*

*Escondido, California 92025*

*(760) 432-1100*

Community Bancorp's principal business is to serve as a holding company for its banking subsidiary, Community National Bank. Community National is a federally chartered commercial bank headquartered in Escondido, California and focuses primarily on community banking by providing commercial banking services including commercial, real estate and SBA loans to small and medium sized businesses. Community National serves San Diego County and southwest Riverside County with 12 community banking offices in Bonsall, Corona, El Cajon, Encinitas, Escondido, Fallbrook, La Mesa, Murrieta, Rancho Bernardo, Santee, Temecula and Vista, California and has additional SBA loan production offices that originate loans in California, Arizona, Nevada and Oregon.

As of June 30, 2006, Community Bancorp had total consolidated assets of approximately \$896.8 million, total consolidated deposits of approximately \$699.4 million and total consolidated stockholders' equity of approximately \$103.2 million. Community Bancorp had 255 active full time equivalent employees on June 30, 2006.

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***The Merger (Page 36)***

We propose a merger in which Community Bancorp will merge with and into First Community. Subsequently, Community National Bank, a wholly owned subsidiary of Community Bancorp, will merge with and into First National Bank, a wholly owned subsidiary of First Community. As a result of the merger, Community Bancorp will cease to exist as a separate corporation and each Community Bancorp stockholder will become a shareholder of First Community. When the merger is completed, Community Bancorp stockholders will receive 0.735 of a share of First Community common stock in exchange for each share of Community Bancorp common stock, subject to possible adjustment as described below.

An adjustment to the exchange ratio may occur if (1) the average closing price of First Community common stock (which we refer to as the First Community average closing price) measured over a 15 trading day period ending on the second trading day prior to the closing date of the merger (which we refer to as the closing measuring period) is greater than \$66.69 or less than \$49.29, and (2) the percentage increase or decline represented by the change between the First Community average closing price and an initial price for First Community common stock (specified as \$57.99 in the merger agreement) is sufficiently disproportionate to the percentage increase or decline represented by the change between the average closing price for the KBW Bank Index over the closing measuring period (which we refer to as the KBW Bank Index average closing price) and an initial KBW Bank Index price (specified as 111.48 in the merger agreement).

Specifically, if the First Community average closing price is greater than \$66.69 per share, and that represents a 15% or greater increase over the change in the KBW Bank Index measured as described above, First Community may terminate the merger agreement unless Community Bancorp agrees to adjust the exchange ratio by multiplying the exchange ratio of 0.735 by the quotient obtained by dividing \$66.69 by the First Community average closing price. On the other hand, if the First Community average closing price is less than \$49.29 per share, and that represents a 15% or greater decline over the change in the KBW Bank Index measured as described above, Community Bancorp may terminate the merger agreement unless First Community agrees to adjust the exchange ratio by multiplying the exchange ratio of 0.735 by the quotient obtained by dividing \$49.29 by the First Community average closing price.

You should read and understand the section entitled *The Merger Merger Consideration*, beginning on page 35 of this document.

The closing date will occur on the third business day after the satisfaction or waiver of the conditions to the consummation of the merger summarized below on page 9. However, the closing date may be set on any other date on which First Community and Community Bancorp may mutually agree.

***The Special Meeting of Community Bancorp Stockholders (Page 27)***

*Date, Time and Place.* The special meeting of Community Bancorp stockholders will be held on \_\_\_\_\_, 2006 at \_\_\_\_\_, local time, at \_\_\_\_\_.

*Purpose of the Special Meeting.* At the special meeting, you will be asked to consider and vote on a proposal to adopt the merger agreement between First Community and Community Bancorp and to consider and act on other matters properly brought before the special meeting. In addition, you are being asked to vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies in favor of the merger proposal.

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*Record Date; Shares Entitled to Vote.* You can vote at the Community Bancorp special meeting if you owned Community Bancorp common stock at the close of business on \_\_\_\_\_, 2006. On that date, there were \_\_\_\_\_ shares of common stock of Community Bancorp outstanding and entitled to vote. Each Community Bancorp stockholder can cast one vote for each share of common stock of Community Bancorp he or she owned on that date.

*Vote Required.* Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Community

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Bancorp common stock entitled to vote at the special meeting. Not voting, voting abstain or failing to instruct your broker how to vote shares held for you in the broker's name will have the same effect as voting against the merger proposal. If you submit a signed proxy card without indicating a vote with respect to the merger, that proxy card will be deemed a vote in favor of the merger proposal and the proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies in favor of the merger proposal.

At close of business on the record date, the directors and officers of Community Bancorp beneficially owned, in the aggregate, approximately \_\_\_\_\_ shares of Community Bancorp common stock, allowing them to exercise approximately \_\_\_\_\_ % of the voting power of Community Bancorp common stock entitled to vote at the Community Bancorp special meeting (which does not include shares issuable upon the exercise of stock options that were not outstanding as of the record date). These stockholders have agreed to vote these shares in favor of the merger proposal, as more fully described in The Merger Agreement Shareholder Agreements beginning on page 68.

### ***The Community Bancorp Board of Directors Unanimously Recommends that You Adopt the Plan of Merger (Page 29)***

After careful consideration, the Community Bancorp board of directors unanimously adopted the plan of merger.

Based on Community Bancorp's reasons for the merger described in this document, including, among other things, the fairness opinion of Keefe, Bruyette & Woods, Inc., or KBW, Community Bancorp's financial advisor, the Community Bancorp board of directors believes that the merger is fair to and in the best interests of Community Bancorp's stockholders and unanimously recommends that they vote **FOR** the proposal to adopt the merger agreement.

### ***Opinion of Community Bancorp's Financial Advisor (Page 40)***

Among other factors considered in deciding to approve the merger, the Community Bancorp board of directors received the oral and written opinion dated May 15, 2006, of KBW that as of that date and based on and subject to the factors and assumptions set forth in its written opinion, the consideration to be received by stockholders of Community Bancorp in the merger was fair to the stockholders of Community Bancorp from a financial point of view. The written opinion of KBW dated as of May 15, 2006 is attached as Appendix B. You should read this opinion completely to understand the procedures followed, assumptions made, matters considered and qualifications and limitations of the review undertaken by KBW in rendering its opinion.

### ***The Special Meeting of First Community Shareholders (Page 32)***

*Date, Time and Place.* The special meeting of First Community shareholders will be held on \_\_\_\_\_, 2006 at \_\_\_\_\_, local time, at \_\_\_\_\_.

*Purpose of the Special Meeting.* At the special meeting, you will be asked to consider and vote on a proposal to amend the bylaws of First Community to provide that the number of directors on the First Community board will range from seven to fifteen with the exact number at any time to be determined by resolution of the board of directors and to consider and act on other matters properly brought before the special meeting. In addition, you are being asked to vote on a proposal to approve, if necessary, adjournment or postponement of the special meeting to

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solicit additional proxies in favor of the proposal to amend the bylaws.

*Record Date; Shares Entitled to Vote.* You can vote at the First Community special meeting if you owned First Community common stock at the close of business on \_\_\_\_\_, 2006. On that date, there were \_\_\_\_\_ shares of common stock of First Community outstanding and entitled to vote.

*Vote Required.* Approval of the proposal to amend the bylaws of First Community requires the affirmative vote of the holders of a majority of the outstanding shares of First Community common stock entitled to vote at the special meeting.

Not voting, voting abstain or failing to instruct your broker how to vote shares held for you in the

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broker's name will have the same effect as voting against the proposal to amend First Community's bylaws. If you submit a signed proxy card without indicating a vote with respect to any one of the proposals, that proxy card will be deemed a vote in favor of the proposal to amend the bylaws and the proposal to approve, if necessary, adjournment or postponement of the special meeting to solicit additional proxies in favor of the proposal to amend the bylaws.

No vote of First Community shareholders on the merger itself is required. However, it is a condition to the parties' obligations under the merger agreement that First Community shareholders approve the proposal to amend the bylaws. Accordingly, we cannot complete the merger unless the bylaw amendment is approved or the parties agree to waive that condition.

At close of business on the record date, the directors of First Community beneficially owned, in the aggregate, approximately \_\_\_\_\_ shares of First Community common stock, allowing them to exercise approximately \_\_\_\_\_ % of the voting power of First Community common stock entitled to vote at the First Community special meeting (which does not include shares issuable upon the exercise of stock options or shares held under First Community's Deferred Compensation Plan which the directors and officers were not entitled to vote as of the record date). These shareholders have agreed to vote these shares in favor of the proposal to amend First Community's bylaws as more fully described in The Merger Agreement Shareholder Agreements beginning on page 68.

### *The First Community Board of Directors Unanimously Recommends that You Approve the Proposal to Amend the First Community Bylaws (Page 34)*

The First Community board of directors unanimously recommends that its shareholders vote **FOR** approval of the proposal to amend the First Community bylaws.

### *Material United States Federal Income Tax Considerations (Page 47)*

The merger is intended to constitute a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended. Therefore, for U.S. federal income tax purposes, as a result of the merger Community Bancorp stockholders generally will not recognize gain or loss on the receipt of First Community common stock. Community Bancorp stockholders will, however, recognize gain or loss in connection with cash received in lieu of fractional shares of First Community common stock. The merger is conditioned on the receipt of legal opinions of counsel of First Community and of Community Bancorp to the effect that, for U.S. federal income tax purposes, the merger will be treated as a reorganization within the meaning of section 368(a) of the Internal Revenue Code and that each of First Community and Community Bancorp will be a party to that reorganization within the meaning of section 368(b) of the Internal Revenue Code.

For a complete description of the material U.S. federal income tax consequences of the transaction, see The Merger Material United States Federal Income Tax Considerations of the Merger, on page 47.

Tax matters are very complicated and the consequences of the merger to any particular stockholder will depend on that stockholder's particular facts and circumstances. You are urged to consult your own tax advisor to determine your own tax consequences from the merger.

*Recent Developments (Pages 69,72)*

On May 3, 2006, First Community announced an increase in its quarterly dividend to \$0.32 per share of First Community common stock, as well as the First Community board of directors' authorization of the repurchase of up to 1,000,000 shares of First Community common stock during the following 12 months. On May 9, 2006, First Community acquired all of the outstanding common stock and options of Foothill Independent Bancorp, or Foothill, for approximately \$244 million in consideration consisting of First Community common stock for the outstanding shares of Foothill common stock and cash for outstanding Foothill stock options. In the merger, each share of Foothill common stock was converted into the right to receive 0.4523 of a share of First Community common stock. Foothill

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Independent Bank, a wholly owned subsidiary of Foothill, offered a full range of commercial banking services through 12 branches in Los Angeles, San Bernardino and Riverside County. As of March 31, 2006, Foothill had approximately \$750 million in assets. Upon completion of the acquisition, Foothill Independent Bank merged into Pacific Western, adding 11 branches to the Pacific Western branch network. Upon the closing of the merger on May 9, 2006, Foothill Independent Bank's additional branch, located in Temecula, California, was sold by Pacific Western to First National Bank. For more information, see [Information about First Community](#) beginning on page 69.

On July 19, 2006, each of First Community and Community Bancorp issued a press release announcing their results for the quarter ending June 30, 2006. First Community announced net earnings for the quarter ended June 30, 2006 of \$14.5 million or \$0.64 per diluted share. These amounts compare with net earnings of \$11.8 million, or \$0.72 per diluted share, for the quarter ended June 30, 2005, and net earnings of \$17.4 million, or \$0.88 per diluted share, for the first quarter of 2006. The increase in net earnings compared to last year resulted primarily from increased net interest income due to acquisitions and organic loan growth and net interest margin expansion, partially offset by increased credit loss provision and higher noninterest expense associated with business growth. The decrease in net earnings and diluted earnings per share for the second quarter of 2006 from the first quarter of 2006 is due to a credit loss provision.

Community Bancorp announced that earnings for the first half of 2006 increased 20.1% to \$6.5 million compared to \$5.4 million for the comparable period last year. Factors contributing to the increase in net income for the six months included the Rancho Bernardo Bank acquisition, an increase in the net interest margin, and continued strong credit quality offset by a 29.4% decrease in other operating income. Basic and diluted earnings per share of \$1.07 and \$1.03, respectively, for the first half of 2006 were comparable to the \$1.02 and \$0.97 for the comparable period in 2005 reflecting the 639,000 share increase resulting from the Rancho Bernardo Bank acquisition.

For more information, see [Information about First Community Recent Developments](#) beginning on page 69 and [Information about Community Bancorp Recent Developments](#) beginning on page 72, respectively.

### ***Community Bancorp's Executive Officers and Directors Have Interests in the Merger that May Differ From, or are in Addition to, the Interests of Community Bancorp's Stockholders in the Merger (Page 49)***

You should be aware that Community Bancorp's executive officers and directors have interests in the merger that may be different from, or are in addition to, the interest of Community Bancorp stockholders generally. These interests include, but are not limited to, severance compensation, that is payable pursuant to pre-existing change of control agreements, as a result of the consummation of the merger, the continuation of certain insurance benefits, cash payments to directors and First Community offers of employment to some of those executive officers. First Community also has agreed to indemnify officers and directors of Community Bancorp and to continue their directors and officers' liability insurance. Four senior officers of Community Bancorp have agreed to accept positions with First National Bank upon completion of the merger. In addition, First Community has agreed to appoint Gary W. Deems, chairman of Community Bancorp, and Mark N. Baker, vice chairman of Community Bancorp, to the First Community board of directors upon completion of the merger.

### ***Procedures for Exchange of Community Bancorp Common Stock for the Merger Consideration (Page 55)***

Holders of Community Bancorp stock certificates will be required to surrender those stock certificates before they will be issued the consideration to which they are entitled in the merger. After the merger is consummated, each Community Bancorp stock certificate will be deemed to represent solely the number of shares of First Community common stock and cash (for any fractional shares) that the holder of the stock certificate is entitled to receive in the merger.



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**Do not send your Community Bancorp stock certificates in the envelope provided for returning your proxy card. The stock certificates should only be forwarded to the exchange agent with the letter of transmittal form which will be mailed to you shortly after the merger is consummated.**

*Conditions to Completion of the Merger (Page 64)*

The completion of the merger depends on a number of conditions being met, including:

approval of the merger proposal by Community Bancorp stockholders and approval of the amendment to the First Community bylaws to expand its board of directors by First Community shareholders;

receipt of required regulatory approvals for the merger and the bank merger, including that of the Office of the Comptroller of the Currency, or OCC, without certain materially adverse or harmful restrictions or conditions (on July 11, 2006, First Community and Community Bancorp obtained the approval of the OCC for the bank merger);

Community Bancorp having an adjusted total stockholders' equity and allowance for loan losses of not less than \$96.2 million and \$9.7 million, respectively, as of the last business day of the last month before closing of the merger;

absence of an injunction or regulatory prohibition to completion of the merger;

receipt by each party of an opinion from such party's tax counsel to the effect that the merger will qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code and that each of First Community and Community Bancorp will be a party to that reorganization within the meaning of section 368(b) of the Internal Revenue Code;

receipt of consents from enumerated third parties under contracts entered into with Community Bancorp;

accuracy of the respective representations and warranties of Community Bancorp and First Community, subject to exceptions that would not have a material adverse effect on Community Bancorp or First Community, respectively;

there not having occurred events which have had or could reasonably be expected to have a material adverse effect on the other party;  
and

compliance in all material