Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BANK OF STOCKTON PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1956

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
BANK OF STOCKTON

301 E MINER AVE
STOCKTON, CA 95202-2501

2b Employer Identification Number (EIN) 94-0902780

2c Sponsor's telephone number 209-929-1565

2d Business code (see instructions) 522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	DEBORAH COLLARD-MONTIEL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	DEBORAH COLLARD-MONTIEL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
THE RETIREMENT COMMITTEE

301 E MINER AVE
STOCKTON, CA 95202-2501

3b Administrator's EIN
94-2353433

3c Administrator's telephone number
209-929-1565

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	677
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	367
b	Retired or separated participants receiving benefits	**6b**	156
c	Other retired or separated participants entitled to future benefits	**6c**	108
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	631
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	27
f	Total. Add lines **6d** and **6e**	**6f**	658
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	8
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
BANK OF STOCKTON PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
BANK OF STOCKTON

D Employer Identification Number (EIN)
94-0902780

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2009			
2	Assets:			
a	Market value	2a		38977492
b	Actuarial value	2b		38977492
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	175	15234064
b	For terminated vested participants	3b	105	1905994
c	For active participants:			
	(1) Non-vested benefits	3c(1)		1734199
	(2) Vested benefits	3c(2)		15007654
	(3) Total active	3c(3)	397	16741853
d	Total	3d	677	33881911
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		8.19 %
6	Target normal cost	6		544172

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/07/2010
Date

IAN H. ALTMAN, FSA
Type or print name of actuary

08-03071
Most recent enrollment number

ALTMAN & CRONIN BENEFIT CONSULTANTS
Firm name

415-395-9300
Telephone number (including area code)

100 PINE STREET, SUITE 1500
SAN FRANCISCO, CA 94111-5215
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	14422529	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1677928	0
9	Amount remaining (Item 7 minus item 8)	12744601	0
10	Interest on item 9 using prior year's actual return of -4.62 %	-588801	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.10 %		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	12155800	0

Part III Funding percentages

14	Funding target attainment percentage	14	79.16 %
15	Adjusted funding target attainment percentage	15	115.04 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	[X] N/A, full yield curve used

b Applicable month (enter code) — **21b**: 3

22 Weighted average retirement age — **22**: 61

23 Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [ ] Yes [X] No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		544172
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		544172

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	544172	0	544172

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	0
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BANK OF STOCKTON PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BANK OF STOCKTON

D Employer Identification Number (EIN)
94-0902780

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	207324	182216
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	6114558	6874715
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	2425366	2540380
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		800000
(7) Loans (other than to participants)	1c(7)	17154839	25219884
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	13075405	1056276

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	38977492	36673471
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	38977492	36673471

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)	2122831	
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)	81071	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2203902
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	241142	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		241142
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	922753	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3012834	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-2090081

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-480329	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-480329
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		59989
d Total income. Add all **income** amounts in column (b) and enter total	2d		-65377
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1868176	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1868176
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	28203	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	342265	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		370468
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2238644
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-2304021
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HEATHER SANGUINETTI CAMINATA SAKAI (2) EIN: 94-2765079

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		15000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BANK OF STOCKTON PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BANK OF STOCKTON

D Employer Identification Number (EIN)
94-0902780

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 94-0902780

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 1

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☒ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☒ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

HEATHER, SANGUINETTI, CAMINATA & SAKAI, INC.
CERTIFIED PUBLIC ACCOUNTANTS
6731 HERNDON PLACE
STOCKTON, CALIFORNIA 95219-3598
TELEPHONE (209) 951-9900

INDEPENDENT AUDITOR'S REPORT

The Retirement Committee
Pension Plan of Bank of Stockton
Stockton, California

We have audited the accompanying statements of net assets available for benefits of Pension Plan of Bank of Stockton as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2008, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Pension Plan of Bank of Stockton's net assets available for benefits as of December 31, 2009, and changes therein for the year then ended and its financial status as of December 31, 2008, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, line 4i – schedule of assets (held at end of year) and schedule H, line 4j – schedule of reportable transactions, together referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heather, Sanguinetti, Caminata & Sakai, Inc.

October 6, 2010

Attachment to Schedule SB (Form 5500) 2009

Plan Name: Bank of Stockton Pension Plan
Plan Sponsor: Bank of Stockton
EIN / PN: 94-0902780 / 001

Schedule SB, line 22 -- Description of Weighted Average Retirement Age

(A) Age	(B) Rate of Retirement	(C) Percent Remaining	(D) Weight	(E) Weighted Retirement Ages
55	10.00%	100.00%	0.10	5.50
56	10.00%	90.00%	0.09	5.04
57	10.00%	81.00%	0.08	4.62
58	10.00%	72.90%	0.07	4.23
59	10.00%	65.61%	0.07	3.87
60	10.00%	59.05%	0.06	3.54
61	10.00%	53.14%	0.05	3.24
62	25.00%	47.83%	0.12	7.41
63	25.00%	35.87%	0.09	5.65
64	25.00%	26.90%	0.07	4.30
65	100.00%	20.18%	0.20	13.12

Weighted Average Retirement Age **60.52**
Nearest Whole Age **61.00**

Column (C) = (1.0 - Column (B) for prior age) x (Column (C) for prior age)
Column (D) = (Column (B)) x (Column (C))
Column (E) = (Column (A)) x (Column (D))

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b) NAME	(c) DESCRIPTION	(d) COST	(e) CURRENT VALUE
	Federated Prime Obligations Fund #10	Money market fund	$ 6,873,912	$ 6,873,912
	Principal Cash	Cash	803	803
	Capital One Cap II	7.5% Preferred, 8,800 shares Callable @ $25	156,898	213,136
	FHLMC Series Z	8.375% Preferred, 40,000 shares Perpetual call @ $25	836,855	42,800
	FNMA Series T	8.5% Preferred, 40,000 shares Perpetual call @ $25	847,473	39,604
	ING Groep NV	8.5% Preferred, 20,000 shares	500,000	438,400
	Prudential Financial Inc.	9% Preferred, 40,000 shares, Callable	1,000,000	1,062,000
	Zions Bancorp	9.5% Preferred, 37,000 shares Perpetual call @ $25	925,000	744,440
	Bank of America Countrywide Financial	4.5%, 500,000 units, due 6/15/10, Yield 9.3777%	472,500	508,350
	Trustreet Properties, Inc. GE	7.5%, 500,000 units, due 4/15/15	500,000	517,055
	Municipal Bond	Los Angeles, CA Com Redev Agency, 8.75%, due 9/1/12	-	30,322
	Preferred Term Securities	Preferred Term Securities	469	549
	Auto loan pool contracts	Auto loan pool contracts - Various	7,886,716	7,465,501
	Edward & Dolores Cardoza	Mortgage loan, dated 4/21/03, $2,000,000, 8%, due 8/5/23	1,561,532	1,535,508
	Calvary Bible Church of Lodi	Mortgage loan, dated 4/24/02, $1,500,000, 8%, due 5/1/27	1,292,485	1,270,941
	Jackson Avenue Associates	Mortgage loan, dated 9/12/02, $780,000, 8%, due 10/1/27	684,609	673,201
	John and Kathryn Weber Family Trust	Mortgage loan, dated 5/1/09, $512,000, 8%, due 6/1/29	502,337	493,966
	Ghana Properties, LLC	Mortgage loan, dated 4/23/09, $1,533,106, 7.5%, due 5/1/16	1,434,397	1,274,788

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b) NAME	(c) DESCRIPTION	(d) COST	(e) CURRENT VALUE
	Myron Zuber & Janice Zuber	Mortgage loan, dated 9/12/05 $351,000, 7.5%, due 10/5/25	$ 314,421	$ 288,880
	Tracy Orchard Plaza, L.P.	Mortgage loan, dated 6/1/05 $3,000,000, 8%, due 12/1/26	2,796,457	2,749,852
	Edward & Dolores Cardoza	Mortgage loan, dated 4/26/06 $2,189,277, 8%, due 8/5/23	1,965,170	1,932,417
	Caresco Properties, LLC	Mortgage loan, dated 7/13/09 $250,000, 8%, due 10/1/21	225,013	221,264
	Thurman Street, LLC	Mortgage loan, dated 5/16/07 $840,000, 8%, due 6/1/27	793,705	780,480
	McCormack-Williamson Company	Mortgage loan, dated 9/11/07 $250,000, 8%, due 10/1/22	229,700	225,874
	Edward & Belinda Cardoza	Mortgage loan, dated 12/14/07 $592,000, 8%, due 12/1/32	574,735	565,161
	Gann Investments, LLC	Mortgage loan, dated 2/15/08 $2,452,000, 8%, due 3/1/33	2,389,343	2,349,523
	Lawrence & Charlene Mettler	Mortgage loan, dated 6/26/09 $400,000, 7.5%, due 7/1/34	397,179	364,913
	FSB Investments, LLC	Mortgage loan dated 5/26/09 $341,575, 7.5%, due 6/1/19	340,092	312,463
	Toinette Rossi Living Trust	Mortgage loan dated 6/15/09 $1,260,000, 7.5%, due 7/1/39	1,255,264	1,153,275
	Greene and Hemley, Inc.	Mortgage loan dated 11/12/09 $1,700,000, 7.5%, due 12/1/29	1,700,000	1,561,877
	Lucerne Hills	Rental real estate – twelve duplexes	800,000	800,000

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b)	(c)	(d)	(g)	(i)
IDENTITY	DESCRIPTION OF ASSET	PURCHASE PRICE	SELLING PRICE	COST OF ASSET	NET GAIN OR (LOSS)
Bank of Stockton	Auto loan pool notes		$ 4,273,342	$ 4,273,342	$ -
Lucerne Hills	Rental Real Estate		800,000	1,959,592	(1,159,592)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan: Bank of Stockton Pension Plan

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: Bank of Stockton

D Employer Identification Number (EIN): 94-0902780

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

2	Assets:			
	a Market value		**2a**	38,977,492
	b Actuarial value		**2b**	38,977,492
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	175	15,234,064
	b For terminated vested participants	**3b**	105	1,905,994
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		1,734,199
	(2) Vested benefits	**3c(2)**		15,007,654
	(3) Total active	**3c(3)**	397	16,741,853
	d Total	**3d**	677	33,881,911
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	8.19 %
6	Target normal cost		**6**	544,172

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Ian H. Altman — Signature of actuary

10/7/10 — Date

IAN H. ALTMAN, FSA — Type or print name of actuary

08-03071 — Most recent enrollment number

ALTMAN & CRONIN BENEFIT CONSULTANTS — Firm name

(415) 395-9300 — Telephone number (including area code)

100 PINE STREET, SUITE 1500

SAN FRANCISCO CA 94111-3215 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	14,422,529	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,677,928	0
9	Amount remaining (Item 7 minus item 8)	12,744,601	0
10	Interest on item 9 using prior year's actual return of (4.62) %	(588,801)	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.10 %		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	12,155,800	0

Part III Funding percentages

14	Funding target attainment percentage	14	79.16 %
15	Adjusted funding target attainment percentage	15	115.04 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	[X] N/A, full yield curve used

b Applicable month (enter code) **21b** 3

22 Weighted average retirement age **22** 61

23 Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [ ] Yes [X] No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) **29** 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) **30** 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) **31** 544,172

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33** 0

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) **34** 544,172

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	544,172	0	544,172

36 Additional cash requirement (item 34 minus item 35) **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) **37** 0

38 Interest-adjusted excess contributions for current year (see instructions) **38** 0

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) **39** 0

40 Unpaid minimum required contribution for all years **40** 0

Attachment to 2009 Schedule SB (Form 5500)
Plan Sponsor: Bank of Stockton
Plan Name: Bank of Stockton Pension Plan
EIN / PN: 94-0902780 / 001
Schedule SB, Line 23 – Statement of Actuarial Assumptions / Methods

9.3 Actuarial Basis

9.3.1 Liability Methods

For minimum funding purposes, liabilities shown in this report have been computed using the Unit Credit method. This method is mandated by statute.

For financial accounting purposes, and for certain maximum deductibility calculations, liabilities shown in this report have been computed using the Projected Unit Credit method. Use of this method for financial accounting is mandated by the Financial Accounting Standards Board; use of the method for certain maximum deductibility calculation is mandated by statute.

Liability Allocation

The objective of any liability method is to accrue for each participant's Plan benefit based on the allocation of liability between past, present and future.

Liability for past periods should be fully accrued, or if not, any unaccrued past service liability requires remedial accruals. Liability for the present period (e.g., the current plan year) should be accrued as expense for the current period. Liability assigned to future periods should be deferred to future years, and thus result in no current period accrual.

Thus, the current period expense will consist of benefit accruals for the current period, plus any remedial past service accrual.

Unit Credit

Under the Unit Credit method, liabilities are assigned to past, present and future periods based on the accrual of Plan benefits for those periods, as follows:

- Past service: the present value of the benefits accrued under the Plan as of the beginning of the plan year. For funding purposes, this is called the **Target Liability**.
- Current service: the present value of benefits accrued under the Plan during the plan year. For funding purposes, this is called the **Target Liability Normal Cost**.
- Future service: the present value of benefits to accrue after the end of the plan year.

The current year's required contribution is generally determined as the Target Liability Normal Cost, plus remedial funding of any unfunded Target Liability, minus any overfunding of the Target Liability.

9.3.1 Liability Methods (continued)

Projected Unit Credit

Under the Projected Unit Credit method, liabilities are assigned to past, present and future periods corresponding to the accrual of benefits under the Plan, but with adjustments to reflect future projected salary increases, as follows:

- Past service: the present value of the projected benefits under the Plan as of the beginning of the plan year. Projected benefits for this purpose reflect assumed salary increases through each projected future date of decrement. For benefits accruing based on service, projected benefits reflect service credited as of the valuation date; for benefits accruing independent of service, projected benefits reflect a service proration. For financial accounting purposes, this past service liability is called the **Projected Benefit Obligation**.

- Current service: the present value of projected Plan benefits associated with current period service. For this purpose, projected benefits are determined as under "Past Service", but reflecting only current period service. For financial accounting purposes, this is called the **Service Cost**.

- Future service: the present value of projected Plan benefits associated with periods after the end of the plan year.

The financial statement expense for the current period is generally determined as the Service Cost, adjusted for accruals or expense reductions associated with the difference between the Projected Benefit Obligation and the market value of Plan assets.

9.3.2 Asset Valuation Method

For minimum required and maximum contribution purposes: The actuarial assets are equal to the market value of assets, including accrued contributions.

Market-related value (FAS 87): The market-related assets are equal to the market value of assets, not including accrued contributions.

9.3.3 Valuation Procedures

The valuation date for the 2009 actuarial valuation is January 1, 2009.

The limitations of Code section 415(b) have been incorporated into our calculations.

No funding target is included for participants who terminated nonvested prior to the valuation date.

The Plan sponsor provides us with data on all employees as of the valuation date, but, pursuant to the Plan sponsor's 2008 election, only those employees who have completed the Plan's eligibility requirements are included in the valuation of liabilities.

9.3.4 Actuarial Assumptions

The following assumptions were used in valuing the liabilities and benefits under the Plan.

PPA Segment Rates

Yield Curve Election:	For minimum funding requirement purpose, the Plan sponsor has elected to use the November 2008 full yield curve to value the target liability as of January 1, 2009. The effective interest rate is 8.19%	
	For maximum allowed contribution purpose, the plan is required to use 3-tier segment rates. The plan chose to use the rates on the month in which the valuation date falls. For 2009 valuation, the 3-tier segment rates of January are 5.32%, 6.45%, and 6.69%.	
FAS 35 Discount Rate:	Current Year:	7.00%
	Prior Year:	7.00%
FAS 87 Discount Rate:	Current Year:	6.25%
	Prior Year:	6.50%
FAS 87 Expected Long-Term Rate of Return:	7.00% compounded annually	
Transition Application:	Starting with the 2008 plan year, the Plan sponsor elects not to apply the transition calculation of the segment rates. Such election is made pursuant to Code section 430(h)(2)(G)(iv).	

Economic

Investment Return:	7.00% compounded annually for the present value of accumulated plan benefits under SFAS No. 35 and the recommended contribution.	
Salary Increases:	5.00% per annum	
Wage Base Increases:	3.50% compounded annually	
Increase in 401(a)(17) pay cap:	Funding:	0%
	FAS 87:	3.5% per annum
Increase in 415 Maximum Benefit:	Funding:	0%
	FAS 87:	3.5% per annum
Social Security:	Annual increase in maximum wage base:	4.0%
Disability Rates:	None assumed	

Other

Mortality:	For funding and FAS 35 purposes, the mortality table used

is the IRS 2009 Static Mortality Table. This mortality table is stipulated under IRS regulations 1.430(h)(3)-1(b). The "small plan" option under subparagraph (2) is not reflected in this valuation.

The IRS 2009 Static Mortality Table is the RP-2000 Mortality Table for annuitant and non-annuitants projected for mortality improvement by Scale AA. For annuitants, mortality is improved through 2016. For non-annuitants, mortality is improved through 2024. No white or blue-collar adjustments are made.

The Plan sponsor has not elected to use the generational mortality table option in IRS regulations 1.430(h)(3)-1. Mortality will be under the static approach.

For FAS 87/132 expense purposes, the mortality table used is the RP-2000 Mortality Table for males and females, projected for 9 years of mortality improvement by Scale AA.

Retirement Rates (Funding and FAS 35):

Participants are assumed to retire according to the following retirement rates:

Age	Retirement Rate
55	10%
56	10%
57	10%
58	10%
59	10%
60	10%
61	10%
62	25%
63	25%
64	25%
65	100%

Retirement Rates (FAS 87):

100% at age 65

Withdrawal Rates:

Sample rates as follows:

Age-Related Rates	
25	12.00%
40	5.50%
55+	0.00%

Expenses:

None.

Percentage Married:	70% of participants are assumed to be married at death.
Age Difference:	Husbands are assumed to be four years older than their wives.
Payment Commencement:	Retirement.
Form of Payment:	Annuity.
PPA Benefit Restrictions:	It is assumed that no PPA benefit restrictions apply in any future plan year, regardless of the Plan's current funded status or any current imposition of such restrictions.
Top 25 Lump Sum Restrictions:	It is assumed that the Top 25 lump sum restrictions will not apply in the current and all future plan years.

9.4 Summary of Plan Provisions

Effective Date	January 1, 1956 (latest amendment effective January 2009).
Participation	
1. Type of Employees Covered	Permanent salaried employees (including part-time employees).
2. Waiting Period	First day of month after one year of continuous service. No new entrants after December 31, 2008.
Compensation	Total compensation, including regular salary, overtime, bonus, and the amount of any State Disability Insurance payments to the extent that salary is reduced to compensate for these payments.
Years of Service	All continuous services with the Bank, excluding service forfeited under ERISA.
Credited Service	All Years of Service as a Participant. Participants with 15 Years of Service, or Age-plus-Service totaled at least 70 as of December 31, 2008 are grandfathered for future accrual; others will not receive future accruals after that date.
Normal Retirement	
1. Eligibility (normal retirement date)	First day of month coinciding with or next following normal retirement age (65th birthday).
2. Amount of benefit for each year	The sum of A and B below: A. For participants as of January 1, 2002: 1.6% of average Compensation for 1999 through 2001 multiplied by years of service through December 31, 2001 (not in excess of 35 years), plus 0.5% of average Compensation for 1999 through 2001 in excess of $37,200 multiplied by years of service through December 31, 2001 (not in excess of 35 years).

B. For all participants:

1.6% of annual Compensation after January 1, 2002, plus

0.5% of annual Compensation after January 1, 2002 in excess of the "Calendar Year Breakpoint"

for each year of service up to 35 years.

3. Calendar Year Breakpoint — The "calendar year breakpoint" is the average of the Social Security Taxable Wage bases for the 35 years ending with the calendar year. For 2009, this amount is $56,400.

4. Mode of Payment — If married at the time of retirement, the benefit is reduced to provide 100% pension continued to the surviving spouse. If unmarried at retirement, pension is paid for life only.

5. Maximum Pension — ERISA maximum provision.

Subsidized Early Retirement

1. Eligibility — Age at least 55, and Age plus Years of Service total 70 or more.

2. Benefit — The sum of all Part A pension credits will be reduced 2% for each year pension starts before age 65.

The sum of all Part B pension credits will be reduced by the following table:

Age	Percentage	Age	Percentage
55	35%	60	14%
56	31%	61	8%
57	27%	62	6%
58	22%	63	4%
59	18%	64	2%
		65	0%

Non-Subsidized Early Retirement

1. Eligibility — Age at least 55, and Years of Service at least 5.

2. Benefit	Normal Retirement Benefit with 6% reduction for each year preceding the Normal Retirement Date.

Delayed Retirement

1. Adjustment in normal retirement pension	Continued accruals after normal retirement.

Severance Benefit

1. Eligibility	5 Years of Service after age 18.
2. Benefit	Benefit at normal retirement date, based on Credited Service up to date of termination. Payable as early as age 55 with reduction.

Disability Retirement

1. Eligibility	Permanent and total disability while an employee.
2. Benefit	Benefit accrued to retirement or termination date determined using monthly rate of pay at time of disability and credited service while receiving benefits under the Bank's LTD Program.
3. Mode of Payment	Member may elect to receive either the value of their accrued benefit as a single lump sum payment or a life annuity.

Death Benefit Before Retirement

1. Eligibility	Death after becoming vested and survived by spouse.
2. Amount of Benefit	Amount that would be paid if member had terminated before death, lived to the earliest retirement age, retired choosing a 100% joint and survivor annuity benefit, and died the next day.

Death Benefit After Retirement

1. Option to reduce regular pension so that a percentage of pension can be continued to surviving beneficiary	Yes. Percentage continuance can be 50%, 75%, or 100%.

Attachment to 2009 Schedule SB (Form 5500)
Plan Name: Bank of Stockton Pension Plan
EIN / PN: 94-0902780 / 001

Schedule SB, line 25 – Change in Method.

Effective with the 2009 valuation, the Plan's target liability and normal cost are determined on the basis of a yield curve, meaning a spread of discount rates segmented by term. The Plan sponsor elected to use the full-yield curve, rather than the 3-tiered set of interest rates. The Plan sponsor elected to base full-yield curve on the November immediately preceding the valuation. Prior to 2009, Plan liabilities were determined based on the 3-tiered set of interest rates.

9.1.1 Count of Active Participants

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	11	20,867	11	23,421																
25 – 29	6	48,096	29	31,804	9	25,565														
30 – 34	5	24,093	6	32,322	3	38,929	3	37,205												
35 – 39	3	47,878	12	34,838	3	32,086	5	41,208	3	68,824										
40 – 44			12	37,221	16	51,053	2	134,807	7	76,252	4	41,639								
45 – 49	8	36,591	12	60,549	22	68,563	5	82,042	6	49,558	5	30,212	13	45,809						
50 – 54			14	48,797	19	59,858	6	33,862	6	43,371	6	84,282	6	45,324						
55 – 59	2	71,480	9	59,139	22	85,410	7	69,820	6	41,230	3	55,455	7	68,822	2	46,156				
60 – 64	1	23,493	8	53,772	10	77,137	6	82,722	2	50,168	4	90,352	5	70,791	3	72,040				
65 – 69			1	16,259	5	31,126	3	118,067	2	25,662			4	79,092			1	48,812		
70 & Over			2	25,406	2	20,106							1	17,756					1	245,000
Total	36		116		111		37		32		22		36		5		1		1	

Attachment to 2009 Schedule SB (Form 5500)
Plan Sponsor: Bank of Stockton
Plan Name: Bank of Stockton Pension Plan
EIN / PN: 94-0902780 / 001
Schedule SB, Line 26 – Schedule of Active Participant Data

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INDEPENDENT AUDITOR'S REPORT

The Retirement Committee
Pension Plan of Bank of Stockton
Stockton, California

We have audited the accompanying statements of net assets available for benefits of Pension Plan of Bank of Stockton as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2008, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Pension Plan of Bank of Stockton's net assets available for benefits as of December 31, 2009, and changes therein for the year then ended and its financial status as of December 31, 2008, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, line 4i – schedule of assets (held at end of year) and schedule H, line 4j – schedule of reportable transactions, together referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heather, Sanguinetti, Caminata & Sakai, Inc.

October 6, 2010

PENSION PLAN OF BANK OF STOCKTON
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Investments, at Fair Value:		
Federated Prime Obligations Fund	$ 6,873,912	$ 6,104,740
Preferred stock	2,540,380	2,425,366
Corporate bonds	1,025,405	-
Municipal bond	30,322	40,543
Mortgage loans	17,754,383	17,154,839
Preferred Term Securities	549	562,600
Auto loan pool contracts	7,465,501	12,472,262
Real property	800,000	-
Total Investments	36,490,452	38,760,350
Receivable – Accrued interest and dividends	182,216	207,324
Cash	803	9,818
Total Assets	36,673,471	38,977,492
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 36,673,471	$ 38,977,492

The accompanying notes are an integral part of these financial statements.

PENSION PLAN OF BANK OF STOCKTON
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Investment Income:		
Net appreciation (depreciation) in fair value of investments	$ (480,329)	$ (4,644,471)
Interest income	2,203,902	3,144,700
Dividend income	241,142	148,781
Loan fees	47,242	18,500
Other income	12,747	6,591
Gain (loss) on sale of assets	(930,489)	2,723
Loss on mortgage note foreclosure	(1,159,592)	-
	(65,377)	(1,323,176)
Contributions by Bank of Stockton	-	-
TOTAL ADDITIONS (REDUCTIONS) TO NET ASSETS	(65,377)	(1,323,176)
DEDUCTIONS FROM NET ASSETS		
Pension payments to beneficiaries	1,868,176	1,712,552
Auto loan pool contract fees	322,204	393,671
Real estate professional fees	28,203	-
Real estate taxes	16,132	-
Real estate property insurance	3,929	-
TOTAL DEDUCTIONS FROM NET ASSETS	2,238,644	2,106,223
NET INCREASE (DECREASE)	(2,304,021)	(3,429,399)
NET ASSETS AVAILABLE FOR BENEFITS, Beginning of Year	38,977,492	42,406,891
NET ASSETS AVAILABLE FOR BENEFITS, End of Year	$ 36,673,471	$ 38,977,492

The accompanying notes are an integral part of these financial statements.

PENSION PLAN OF BANK OF STOCKTON
STATEMENT OF ACCUMULATED PLAN BENEFITS
DECEMBER 31, 2008

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
Vested benefits:	
Active participants	$ 17,161,460
Terminated participants	2,250,151
Retired participants and beneficiaries	16,695,864
	36,107,475
Nonvested benefits	2,047,963
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 38,155,438

The accompanying notes are an integral part of these financial statements.

PENSION PLAN OF BANK OF STOCKTON
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
YEAR ENDED DECEMBER 31, 2008

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	$ 35,538,853
INCREASE (DECREASE) DURING THE YEAR ATTRIBUTABLE TO	
Additional benefits accumulated	1,377,550
Benefits paid to participants	(1,712,552)
Increase due to the passage of time	2,427,780
Plan changes	-
Assumption changes	523,807
Net Increase	2,616,585
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	$ 38,155,438

The accompanying notes are an integral part of these financial statements.

NOTE 1 - DESCRIPTION OF PLAN

The Pension Plan of Bank of Stockton is a non-contributory defined unit benefit plan that covers all permanent salaried employees and provides for pension and disability benefits. There are no voluntary employee contributions. Effective December 31, 2008 this retirement plan was curtailed. Based on age and years of service, certain employees were grandfathered into the plan.

Information about the Plan agreement, the vesting and benefit provisions, and the Pension Benefit Guaranty Corporation's (PBGC) benefit guarantee is contained in the Summary Plan Description. Copies of the Summary Plan Description are available from the Retirement Committee.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Pension Plan of Bank of Stockton is presented to assist in understanding the Plan's financial statements and supplementary information. The financial statements, notes, and supplementary information are representations of the Plan's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements and supplementary information.

a. Basis of Accounting. The accounting records of the Plan are maintained on the accrual basis of accounting.

b. All investments are stated at their fair value.

c. All costs of administering the Plan are absorbed by the Bank of Stockton.

d. Actuarial Present Value of Accumulated Plan Benefits. Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

   The actuarial present value of accumulated plan benefits is determined by an actuary from Altman & Cronin Benefit Consultants, LLC, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2008 and December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

were (a) life expectancy of participants (the RP-2000 Combined Mortality Table was used), (b) retirement age assumption is age 65, and (c) investment return. The 2007 valuations included assumed average rates of return of 7.5%, including a reduction for anticipated administrative expenses associated with providing benefits. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Effective with the 2008 valuation, the Plan's target liability and normal cost are determined on the basis of a yield curve, meaning a spread of discount rates segmented by term. The Plan sponsor elected to use the 3-tiered set of interest rates, with rates based on 24-month averages, rather than electing to use the full-yield curve. The Plan sponsor elected to base segment rates on the January of the valuation year and also elected not to apply the transition calculation of the segment rates. Prior to 2008, Plan liabilities were determined based on a single discount rate of 7.50%.

e. Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of Plan assets and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits.

		Fair Value Measurements Using	
December 31, 2009	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Money market fund	$ 6,873,912	$ 6,873,912	$ -
Preferred stock	2,540,380	2,540,380	-
Corporate bonds	1,025,405	1,025,405	-
Municipal bond	30,322	-	30,322
Mortgage loans	17,754,383	-	17,754,383
Preferred Term Securities	549	-	549
Auto loan pool contracts	7,465,501	-	7,465,501
Real property	800,000	-	800,000
Total	$36,490,452	$10,439,697	$26,050,755

SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority.

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of preferred stock, are based on quoted market prices.

Level 3 Fair Value Measurements

The municipal bond, mortgage loans, preferred term securities, auto loan pool contracts, and real estate are not actively traded and other observable inputs are not available. For every security in the portfolio, with the exception of the Commercial Real Estate Loans, the Auto Loan Pool, and Real Estate, the Plan sponsor contracts through their custodian (Marshall & Ilsley Trust Company) with the Interactive Data Corporation (NYSE: IDC) for daily pricing. For the year ended December 31, 2008, the Commercial Real Estate Loans and the Auto Loan Pool are priced using the Discounted Cash Flow model. For the year ended December 31, 2009, the Commercial Real Estate Loans and the Auto Loan Pool are priced using the asset approach and income approach, giving both methods equal weight. The Plan sponsor contracts with ERISA Valuation Associates and Equity Valuation Associates for pricing. The Real Property is priced using the Trustee Sale price at September 10, 2009.

The following table provides further details of the Level 3 fair value measurements.

	Municipal Bond	Mortgage Loans	Preferred Term Securities	Auto Loan Pool Contracts	Real Property	Total
December 31, 2009						
Beginning balance	$ 40,543	$17,154,839	$ 562,600	$12,472,262	-	$30,230,244
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	29,440	(702,057)	(556,326)	(421,215)	-	(1,650,158)
Purchases, sales, issuances, and settlements (net)	(39,661)	1,301,601	(5,725)	(4,585,546)	$ 800,000	(2,529,331)
Ending balance	$ 30,322	$17,754,383	$ 549	$ 7,465,501	$ 800,000	$26,050,755
December 31, 2008						
Beginning balance	$ 52,443	$16,101,462	$ 2,491,685	$16,334,939	-	$34,980,529
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	(1,985)	-	(1,799,717)	-	-	(1,801,702)
Purchases, sales, issuances, and settlements (net)	(9,915)	1,053,377	(129,368)	(3,862,677)	-	(2,948,583)
Ending balance	$ 40,543	$17,154,839	$ 562,600	$12,472,262	-	$30,230,244

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2009 and 2008 are reported in net appreciation in fair value of investments.

NOTE 4 - FUNDING POLICY

The contributions of the bank are made in amounts sufficient, as determined under the Projected Unit Credit Method, to accumulate plan assets necessary to meet all Plan benefit obligations when due. As of December 31, 2008, the Plan was in compliance with the minimum funding requirements of ERISA.

NOTE 5 - PLAN TERMINATION

Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all. For a complete description of the procedures that will be implemented in the event of the plan termination, see the Summary Plan Description.

NOTE 6 - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Bank of Stockton by a letter dated December 27, 1995, that the Plan qualifies under Section 401(a) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification.

The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. A request for a determination letter is being prepared by the Plan's tax counsel and will be submitted to the Internal Revenue Service.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

a. The Plan has a Federated Prime Obligations money market fund in the amount of $6,873,912. This fund is not insured by the Federal Deposit Insurance Corporation.

b. The Plan grants mortgage loans to customers throughout San Joaquin County. The Plan requires all loans to be secured by first deeds of trust and has a diversified loan portfolio.

c. The Plan provides funding for new automobile loans through local dealers. These loans are secured by the vehicles under the Uniform Commercial Code.

NOTE 8 - INVESTMENTS

The fair market value of individual assets that represent 5% or more of the Plan's net assets as of December 31, 2009 and 2008 are as follows:

	2009	2008
Federated Prime Obligations Fund	$ 6,873,912	$ 6,104,740
Mortgage loans:		
Tracy Orchard Plaza, L.P., due 12/1/2026	2,749,852	2,870,058
Edward & Dolores Cardoza, due 8/5/2023	1,932,417	2,038,709
Lucerne Hills, LLC, due 3/1/2009	-	1,959,592
Gann Investments, LLC, due 3/1/2033	2,349,523	2,423,438
Other	10,722,591	7,863,042
Preferred Term Securities	549	562,600
Auto loan pool contracts	7,465,501	12,472,262

During 2009 and 2008 the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) by $(480,329) and $(4,644,471) respectively, as follows:

	2009	2008
Preferred Term Securities	$ (556,326)	$ (1,799,717)
Capital One Cap II 7.5% Preferred	64,416	(8,178)
FHLMC Series Z 8.375% Preferred	437,827	(1,231,882)
FNMA Series T 8.5% Preferred	499,441	(1,307,310)
ING Groep NV 8.5% Preferred	111,400	(173,000)
Prudential Financial 9% Preferred	184,400	(122,400)
Zion's Bancorp 9.5% Preferred	(180,560)	-
Bank of America Countrywide 4.50%	35,850	-
Trustreet Properties, Inc. GE 7.50%	17,055	-
Auto Loan Pool	(421,215)	-
Real Estate Mortgages	(702,057)	-
Municipal bond	29,440	(1,984)
Net Change in Fair Value	$ (480,329)	$ (4,644,471)

NOTE 9 - CHANGE IN ACTUARIAL ASSUMPTIONS

The Plan's mortality for funding purposes was changed from the 1984 Unisex Mortality Table, set forward one year for males and set back four years for females, to the RP-2000 Mortality Table with projections specified by IRS proposed Reg. Section 1.430(h)(3)-1, with separate annuitant and non-annuitant static mortality tables.

The assumed form of payment was changed from a single life annuity to rates based on plan experience.

Retirement rates were changed from 100% at 65 and 0% before to age-specific rates based on plan experience.

NOTE 10 - CHANGE IN METHOD

Effective with the 2009 valuation, the Plan's target liability and normal cost are determined on the basis of a yield curve, meaning a spread of discount rates segmented by term. The Plan sponsor elected to use the full-yield curve, rather than the 3-tiered set of interest rates. The Plan sponsor elected to base full-yield curve on the November immediately preceding the valuation. Prior to 2009, Plan liabilities were determined based on the 3-tiered set of interest rates.

NOTE 11 - SUBSEQUENT EVENTS

In 2009, the Lucerne Hills, LLC mortgage loan dated December 13, 2006, maturing on March 1, 2009 in the amount of $1,959,592 went into default. The Plan filed suit for the underlying asset, 12 duplex units. On September 10, 2009, the Plan took title to the property at a trustee sale. In 2010, the Plan contracted with a property manager to manage the rental property.

Subsequent events have been evaluated through October 6, 2010, which is the date the financial statements were issued.

SUPPLEMENTARY INFORMATION

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b) NAME	(c) DESCRIPTION	(d) COST	(e) CURRENT VALUE
	Federated Prime Obligations Fund #10	Money market fund	$ 6,873,912	$ 6,873,912
	Principal Cash	Cash	803	803
	Capital One Cap II	7.5% Preferred, 8,800 shares Callable @ $25	156,898	213,136
	FHLMC Series Z	8.375% Preferred, 40,000 shares Perpetual call @ $25	836,855	42,800
	FNMA Series T	8.5% Preferred, 40,000 shares Perpetual call @ $25	847,473	39,604
	ING Groep NV	8.5% Preferred, 20,000 shares	500,000	438,400
	Prudential Financial Inc.	9% Preferred, 40,000 shares, Callable	1,000,000	1,062,000
	Zions Bancorp	9.5% Preferred, 37,000 shares Perpetual call @ $25	925,000	744,440
	Bank of America Countrywide Financial	4.5%, 500,000 units, due 6/15/10, Yield 9.3777%	472,500	508,350
	Trustreet Properties, Inc. GE	7.5%, 500,000 units, due 4/15/15	500,000	517,055
	Municipal Bond	Los Angeles, CA Com Redev Agency, 8.75%, due 9/1/12	-	30,322
	Preferred Term Securities	Preferred Term Securities	469	549
	Auto loan pool contracts	Auto loan pool contracts - Various	7,886,716	7,465,501
	Edward & Dolores Cardoza	Mortgage loan, dated 4/21/03, $2,000,000, 8%, due 8/5/23	1,561,532	1,535,508
	Calvary Bible Church of Lodi	Mortgage loan, dated 4/24/02, $1,500,000, 8%, due 5/1/27	1,292,485	1,270,941
	Jackson Avenue Associates	Mortgage loan, dated 9/12/02, $780,000, 8%, due 10/1/27	684,609	673,201
	John and Kathryn Weber Family Trust	Mortgage loan, dated 5/1/09, $512,000, 8%, due 6/1/29	502,337	493,966
	Ghana Properties, LLC	Mortgage loan, dated 4/23/09, $1,533,106, 7.5%, due 5/1/16	1,434,397	1,274,788

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b) NAME	(c) DESCRIPTION	(d) COST	(e) CURRENT VALUE
	Myron Zuber & Janice Zuber	Mortgage loan, dated 9/12/05 $351,000, 7.5%, due 10/5/25	$ 314,421	$ 288,880
	Tracy Orchard Plaza, L.P.	Mortgage loan, dated 6/1/05 $3,000,000, 8%, due 12/1/26	2,796,457	2,749,852
	Edward & Dolores Cardoza	Mortgage loan, dated 4/26/06 $2,189,277, 8%, due 8/5/23	1,965,170	1,932,417
	Caresco Properties, LLC	Mortgage loan, dated 7/13/09 $250,000, 8%, due 10/1/21	225,013	221,264
	Thurman Street, LLC	Mortgage loan, dated 5/16/07 $840,000, 8%, due 6/1/27	793,705	780,480
	McCormack-Williamson Company	Mortgage loan, dated 9/11/07 $250,000, 8%, due 10/1/22	229,700	225,874
	Edward & Belinda Cardoza	Mortgage loan, dated 12/14/07 $592,000, 8%, due 12/1/32	574,735	565,161
	Gann Investments, LLC	Mortgage loan, dated 2/15/08 $2,452,000, 8%, due 3/1/33	2,389,343	2,349,523
	Lawrence & Charlene Mettler	Mortgage loan, dated 6/26/09 $400,000, 7.5%, due 7/1/34	397,179	364,913
	FSB Investments, LLC	Mortgage loan dated 5/26/09 $341,575, 7.5%, due 6/1/19	340,092	312,463
	Toinette Rossi Living Trust	Mortgage loan dated 6/15/09 $1,260,000, 7.5%, due 7/1/39	1,255,264	1,153,275
	Greene and Hemley, Inc.	Mortgage loan dated 11/12/09 $1,700,000, 7.5%, due 12/1/29	1,700,000	1,561,877
	Lucerne Hills	Rental real estate – twelve duplexes	800,000	800,000

PENSION PLAN OF BANK OF STOCKTON
SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2009
94-0902780 PLAN 001

(a)	(b)	(c)	(d)	(g)	(i)
IDENTITY	DESCRIPTION OF ASSET	PURCHASE PRICE	SELLING PRICE	COST OF ASSET	NET GAIN OR (LOSS)
Bank of Stockton	Auto loan pool notes		$ 4,273,342	$ 4,273,342	$ -
Lucerne Hills	Rental Real Estate		800,000	1,959,592	(1,159,592)