

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>08/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ 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:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>PACIFIC CAPITAL BANCORP EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>		1b Three-digit plan number (PN) ▶ <u>003</u>
			1c Effective date of plan <u>01/01/1985</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)	<u>PACIFIC CAPITAL BANCORP</u> <u>1021 ANACAPA</u> <u>SANTA BARBARA, CA 93101</u>		2b Employer Identification Number (EIN) <u>95-3673456</u>
			2c Sponsor's telephone number <u>805-882-3822</u>
			2d Business code (see instructions) <u>522110</u>

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.	06/15/2011	NOMA BRUTON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	06/15/2011	NOMA BRUTON
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PACIFIC CAPITAL BANCORP 1021 ANACAPA SANTA BARBARA, CA 93101	3b Administrator's EIN 95-3673456 3c Administrator's telephone number 805-882-3822
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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
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5 Total number of participants at the beginning of the plan year	5	1693
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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	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2O 3H 2T 2H

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) ☒ 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) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 08/31/2010		
A Name of plan PACIFIC CAPITAL BANCORP EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 PACIFIC CAPITAL BANCORP	D Employer Identification Number (EIN) 95-3673456	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
CHARLES SCHWAB & CO. INC. AND AFFIL
94-1737782

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB BANK

42-1558009

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
25 49 50 52 62	NONE	3	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: ERNST & YOUNG, LLP	b EIN: 34-6565596
c Position: ACCOUNTANT	
d Address: 725 SOUTH FIGUEROA STREET LOS ANGELES, CA 90017	e Telephone: 213-240-7093
Explanation: TO INCREASE OPERATIONAL AND AUDIT EFFICENCY, THE COMPANY HAS ENGAGED HUTCHINSON & BLOODGOOD TO PERFORM THE ESOP REVIEW.	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN;
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN;
c Position:	
d Address:	e Telephone:
Explanation:	

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 08/31/2010

A Name of plan <u>PACIFIC CAPITAL BANCORP EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) <u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PACIFIC CAPITAL BANCORP</u>	D Employer Identification Number (EIN) <u>95-3673456</u>

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SCHWAB STABLE VALUE FUND</u>		
b Name of sponsor of entity listed in (a): <u>CHARLES SCHWAB TRUST COMPANY</u>		
c EIN-PN <u>81-0625180-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **08/31/2010**

A Name of plan PACIFIC CAPITAL BANCORP EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 PACIFIC CAPITAL BANCORP	D Employer Identification Number (EIN) 95-3673456	

Part I	Asset and Liability Statement
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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)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	685	
(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)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	124726	
(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)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	1129421	
(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	1254832	0

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1254832	0
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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)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	764221	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		764221
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1190
(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		
d Total income. Add all income amounts in column (b) and enter total.....	2d		765411

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	57802	
(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)		57802
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		57802

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		707609
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		1962441

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) ☐ 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 ☐ No

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

(1) Name: HUTCHINSON & BLOODGOOD LLP

(2) EIN: 95-0858589

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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....		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.).....		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?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
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.		X	

- 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: 0

- 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)
PACIFIC CAPITAL BANCORP INCENT & INVESTMENT & SAL SAV PLAN	95-3673456	002

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
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 08/31/2010

A Name of plan <u>PACIFIC CAPITAL BANCORP EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PACIFIC CAPITAL BANCORP</u>	D Employer Identification Number (EIN) <u>95-3673456</u>

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	<u>0</u>
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): <u>42-1558009</u>		
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	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

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):

- 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):

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust
For the Period Ended August 27, 2010 and
Year Ended December 31, 2009
With Report of Independent Auditors**

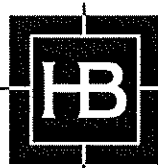
**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

**Financial Statements and
Supplemental Schedules**

For the Period Ended August 27, 2010 and Year Ended December 31, 2009

Contents

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Statements of Changes in Net Assets Available for Benefits.....	3
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Independent Auditors' Report

The Board of Directors and Management Compensation and Benefits Committee
Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust

We were engaged to audit the accompanying statement of net assets available for benefits of Pacific Capital Bancorp Employee Stock Ownership Plan and Trust as of August 27, 2010, and the related statement of changes in net assets available for benefits for the period then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan Administrator instructed the other auditors not to perform and they did not perform any auditing procedures with respect to the information certified by the Trustee. Their report, dated July 27, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Charles Schwab Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the period ended August 27, 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2010 financial statements that we did not audit, we are unable to, and do not express an opinion on the 2010 accompanying financial statements taken as a whole. The form and content of the information included in the 2010 financial statements, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hutchinson and Bloodgood LLP

June 13, 2011

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Statements of Net Assets Available for Benefits

	<i>August 27, 2010</i>	<i>December 31, 2009</i>
ASSETS		
Investments at fair value:		
Interest bearing cash	\$ —	\$ 685
Common collective trust	—	124,726
Pacific Capital Bancorp common stock	—	1,129,421
	<hr/>	<hr/>
Net assets reflecting all investments at fair value	—	1,254,832
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	—	(855)
	<hr/>	<hr/>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ —</u></u>	<u><u>\$ 1,253,977</u></u>

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

Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust

Statements of Changes in Net Assets Available for Benefits

	<i>Period Ended August 27, 2010</i>	<i>Year Ended December 31, 2009</i>
ADDITIONS TO/(DEDUCTIONS FROM) NET ASSETS ATTRIBUTED TO:		
Investment gain/(loss):		
Net appreciation/(depreciation) in fair value of investments	\$ 766,266	\$ (21,087,643)
Interest and dividends	—	148,020
Net investment gain/(loss)	766,264	(20,939,623)
Benefit payments	(57,802)	(1,047,024)
Distribution of dividends to participants	—	(106,896)
Administrative expenses	—	(1,000)
NET INCREASE/(DECREASE) PRIOR TO TRANSFERS	708,464	(22,094,543)
Transfer to Pacific Capital Bancorp Incentive & Investment and Salary Savings Plan	(1,962,441)	—
NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(1,253,977)	(22,094,543)
NET ASSETS AVAILABLE FOR BENEFITS		
AT BEGINNING OF PERIOD	1,253,977	23,348,520
AT END OF PERIOD	\$ —	\$ 1,253,977

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

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements

NOTE 1. ORGANIZATIONAL MATTERS AND DESCRIPTION OF THE PLAN

Organizational Matters

Pacific Capital Bancorp ("PCB, the Company or the Plan Sponsor") is a bank holding company organized under the laws of the state of Delaware and is the sponsor of the Pacific Capital Bancorp Employee Stock Ownership Plan and Trust ("the Plan or ESOP").

PCB provides full range of commercial and consumer banking services to households, professionals and business through its wholly-owned subsidiary, Santa Barbara Bank and Trust, National Association ("SBBT or the Bank"). These banking services include depository, lending and wealth management services.

Description of the Plan

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

The Plan is a defined contribution plan established on January 1, 1985, and restated in its entirety effective January 1, 2006. The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries. Employees of the Company become eligible once they have attained the age 18 and completed one year of eligibility service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

In connection with the Rights Offering described in Note 11, "Subsequent Events," of these financial statements, the Compensation Committee of the Company resolved on July 19, 2010, to merge the Plan and transfer the Plan's assets into the Company's Incentive and Investment and Salary Savings Plan, ("the 401(k) Savings Plan") and allow the Plan participants to exercise the stock rights they receive with respect to the employer stock held in the Plan using monies in their 401(k) accounts. A 401(k) account would be established for all Plan participants who do not have an existing 401(k) account at time of transfer. As a result, the Plan was dissolved effective August 27, 2010.

Contributions

The Company may make annual discretionary contributions to the Plan to invest primarily in the Company's stock. The employees do not contribute to the Plan. Contributions are allocated to eligible participants, who are employed on the last day of the Plan year. Contributions are allocated in proportion to each participant's eligible annual compensation for the Plan year over the aggregate of such compensation for all eligible participants. The Company did not contribute to the Plan during 2010 or 2009.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 1. ORGANIZATIONAL MATTERS AND DESCRIPTION OF THE PLAN - CONTINUED

Participant Accounts

Each participant's account is credited with the allocation of the Company's contribution and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Diversification

When participants have participated in the ESOP for at least ten years and attained age 55, the Internal Revenue Code ("IRC") requires the ESOP to permit these "qualified" participants to diversify the investments that are held in their accounts. Based on qualified participants' elections, the proceeds from the sale of Company stocks to accomplish this diversification may be (a) directly distributed to the qualified participants; (b) invested in a general account under the Plan; or (c) transferred to the qualified participants' accounts in the 401(k) Savings Plan as discussed in Note 10, "Transfer to 401(k) Savings Plan," of these financial statements or another qualified plan that provides at least three distinct investment options that meet the requirements of the IRC.

Vesting

Vesting in the Company's discretionary contribution is based on years of service. A participant becomes vested in the Company discretionary ESOP contributions as follows:

<u>Years of Service</u>	<u>Percentage Vested (%)</u>
Less than two	0
Two but less than three	20
Three but less than four	40
Four but less than five	60
Five but less than six	80
Six or more	100

Notwithstanding the above, if a participant is employed by the Company on the date of (1) attaining normal or early retirement, (2) death, or (3) terminating employment by reason of permanent disability, the Company discretionary contributions become 100% vested without regard to years of service. As a result of Plan merger described above, all unvested ESOP shares were immediately vested.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 1. ORGANIZATIONAL MATTERS AND DESCRIPTION OF THE PLAN - CONTINUED

Benefit Payments

On termination of service, death, disability or retirement, a participant or beneficiary may elect to receive either a lump-sum payment equal to the value of the participant's vested interest in their account, a distribution in the form of installment payments, or a combination of these payment options. Distributions are made in the form of cash, Company common stock plus cash for any fractional shares, or both, subject to the applicable provisions of the Plan agreement. Benefit claims are recorded as expenses when they have been approved for payment and paid by the Plan.

Forfeitures

Participants who are not 100% vested will forfeit the nonvested portion of the Company's contributions upon termination of employment. Effective August 19, 2009, such forfeitures shall first be used to restore the forfeited accounts of reemployed participants. If any forfeiture remains, they shall first be allocated to pay for administrative or legal expenses of the Plan, and then will be allocated among the accounts of eligible participants during the Plan year. As a result of the Plan merger, \$2,626 was transferred into the 401(k) Savings Plan for the period ended August 27, 2010. The forfeiture reserve balance was \$2,196 at December 31, 2009.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with United States generally accepted accounting principles ("US GAAP").

Estimates

The preparation of financial statements in conformity with US GAAP requires the Plan Administrator to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Recent Accounting Pronouncements

During the period ended August 27, 2010, the following accounting pronouncement applicable to the Plan was issued or became effective:

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements (Topic 820), Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 enhances disclosure requirements under ASC Topic 820, *Fair Value Measurements and Disclosures*, to include disclosure of transfers in and out of Level 1 and 2, and detail of activity in Level 3 fair value measurements. The ASU also provides clarification of existing disclosure requirements pertaining to the level of disaggregation used in fair value measurements and disclosures about inputs and valuation techniques used for both recurring and nonrecurring fair value measurements. The new guidance, except for the requirement to provide Level 3 activity on a gross basis, became effective for the Plan on January 1, 2010. Adoption of the new guidance did not have a material effect on these financial statements. The expanded disclosure requirements pertaining to Level 3 activity will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. The Plan has adopted the fair value measurement and disclosure requirements as required by US GAAP effective January 1, 2008. This accounting standard defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. This accounting standard does not require any new fair value measurements, but applies under other existing accounting pronouncements that require or permit fair value measurements. Refer to Note 5, "Fair Value Measurements," of these financial statements for additional disclosures.

The Plan invests in a common collective trust fund ("the Fund") which is further invested in a diversified portfolio of stable assets. The investment contracts for the Fund are all fully benefit responsive at contract value. The Fund is recorded at fair value; however, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As a result, the difference between contract value and fair value of the Fund is reflected on the financial statements as "adjustment from fair value to contract value for fully benefit-responsive investment contracts."

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned and dividends are recorded on the ex-dividend date.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Realized and Unrealized (Depreciation) or Appreciation

Realized and unrealized (depreciation) or appreciation are based on the fair value of the assets at the end of the Plan year compared to the fair value of the assets at the beginning of the Plan year, or at the time of purchase for assets purchased or exchanged during the Plan year.

Administrative Expenses

The Company incurs certain expenses in administering the Plan which are not passed on as expenses of the Plan. Administrative expenses that are charged to the Plan consist of transaction charges for benefit payment transactions. For the period ended August 27, 2010, no administration expenses were charged to the Plan. For the year ended December 31, 2009, \$1,000 of administration expenses was charged to the Plan.

NOTE 3. CERTIFIED FINANCIAL INFORMATION

Other than the fair value of the Fund, the financial information included in the Plan's financial statements as it relates to investment assets, investment transactions and investment income has been derived from information certified as complete and accurate by Charles Schwab Trust Company ("CSTC") in accordance with Section 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The contract value of the Fund of \$123,871 at December 31, 2009 was certified by CSTC. There was no ending balance for the Fund at August 27, 2010 as result of the Plan merger.

NOTE 4. INVESTEMENTS

The following represents investments of the Plan as of August 27, 2010 and December 31, 2009. Specific investments that represent 5% or more of the Plan's net assets are separately identified with an asterisk:

	<u>August 27, 2010</u>	<u>December 31, 2009</u>
Interest bearing cash	\$ —	\$ 685
Common collective trust:		
Charles Schwab Stable Value Fund	—	124,726 *
Pacific Capital Bancorp common stock	—	1,129,421 *
Total investments	<u>\$ —</u>	<u>\$ 1,254,832</u>

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 4. INVESTEMENTS - CONTINUED

During the period ended August 27, 2010 and the year ended December 31, 2009, the Plan's investments (including realized gains and losses on investments bought and sold and unrealized gains and losses on investments held during the year) appreciated or depreciated in value as follows:

	<i>Period Ended August 27, 2010</i>	<i>Year Ended December 31, 2009</i>
Common collective trust:		
Charles Schwab Stable Value Fund	\$ 2,045	\$ (3,044)
Pacific Capital Bancorp common stock	764,221	(21,084,599)
Net appreciation/(depreciation) in fair value of investments	<u>\$ 766,266</u>	<u>\$ (21,087,643)</u>

NOTE 5. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value establishes a framework for measuring fair value and establishes a three-level valuation hierarchy for disclosure of fair value measurement. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1: Observable quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 5. FAIR VALUE MEASUREMENTS - CONTINUED

The following methods and assumptions were used to estimate the fair value of each category of assets that are recognized at fair value.

Interest bearing cash: The carrying value approximates fair value.

Common collective trust: The Fund is the Plan's common collective trust fund which invests in a diversified portfolio of stable assets which include, but are not limited to, units of collective trust funds consistent with the Fund's objective of stable value, bonds, notes, alternative and synthetic guaranteed investment contracts as well as short-term money market instruments. In determining fair value for the common collective trust, the trustee considers such factors as the benefit-responsiveness of the investment contracts, the ability of the parties to the investment contracts to perform in accordance with the terms of the contracts and the likelihood of default by the issuer of an investment security. The fair value of the wrap contracts is determined using a discounted methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. Investments in units of collective trust funds and short-term investment funds are valued at their respective net asset values as reported by the funds daily. Short-term money market investments are stated at amortized cost, which approximates fair value. Participant-directed redemptions will be distributed within 30 days at contract value; however, the Plan is required to provide a one-year redemption notice to liquidate its entire share in the fund at contract value or it may receive the fair value of its proportionate share of the fund upon earlier distribution.

Common stocks: Are valued using quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in different fair value measurements as of the reporting date.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 5. FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<i>As of December 31, 2009</i>	<i>Recurring Fair Value Measurements at Reporting</i>		
		<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Active Markets for Similar Assets (Level 2)</i>	<i>Unobservable Inputs (Level 3)</i>
Investments:				
Interest-bearing cash	\$ 685	\$ 685	\$ —	\$ —
Common collective trust	124,726	—	124,726	—
Pacific Capital Bancorp common stock	1,129,421	1,129,421	—	—
Total investments, at fair value	<u>\$ 1,254,832</u>	<u>\$ 1,130,106</u>	<u>\$ 124,726</u>	<u>\$ —</u>

There were no assets held at August 27, 2010 as result of the Plan merger.

NOTE 6. PARTY-IN-INTEREST TRANSACTIONS

As of December 31, 2009, certain Plan investments were invested in Charles Schwab mutual funds managed by CSTC. As such, transactions with Charles Schwab qualify as party-in-interest transactions under ERISA. There were no fees paid by the Plan to Charles Schwab for the investment management services for the period ended August 27, 2010. There were \$1,000 fees paid by the Plan for the investment management services for the year ended December 31, 2009.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 6. PARTY-IN-INTEREST TRANSACTIONS - CONTINUED

In addition, the Plan invests in the common stock of the Company. During the period ended August 27, 2010 and year ended December 31, 2009, the Plan's investment activities and valuation of the Company's common stock were approximately as follows:

	<i>Period Ended August 27, 2010</i>	<i>Year Ended December 31, 2009</i>
Beginning investment value	\$ 1,129,421	\$ 23,210,253
Net appreciation/(depreciation) in fair value of investments	764,221	(21,084,599)
Benefit payments	(49,659)	(1,178,513)
Dividend income	—	148,020
Transfer to the 401(k) Savings Plan	(1,843,804)	—
Other	(179)	34,260
Ending investment value	<u>\$ —</u>	<u>\$ 1,129,421</u>

NOTE 7. TAX STATUS

The Plan obtained its latest determination letter on September 27, 2007, in which the Internal Revenue Service ("IRS") stated that the Plan and the related trust, as then designed, was in compliance with the applicable requirements of the IRC. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the IRC.

NOTE 8. PLAN TERMINATION

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

As discussed in Note 1, "Organizational Matters and Description of the Plan" of these financial statements, the Plan was dissolved effective August 27, 2010. On this date, all unvested shares immediately became vested and were transferred into the participant's 401(k) accounts. This transfer allowed for the participants to participate in the Rights Offering that occurred in October 2010 as described in Note 11, "Subsequent Events," of these financial statements.

**Pacific Capital Bancorp
Employee Stock Ownership Plan and Trust**

Notes to Financial Statements (Continued)

NOTE 9. RISKS AND UNCERTAINTY

The majority of the Plan's assets are invested in the Company common stock, which are exposed to various risks, such as market conditions. Due to the level of risk associated with these investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

NOTE 10. TRANSFER TO 401(k) SAVINGS PLANS

As discussed in Note 1, "Organizational Matters and Description of the Plan" of these financial statements, the Plan was dissolved effective August 27, 2010. On this date, \$1,962,441 of participant account balances was transferred into the 401(k) Savings Plan. There were no transfers into the 401(k) Savings Plan during 2009.

NOTE 11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events and transactions that have occurred after August 27, 2010, through June 13, 2011, the date at which the accompanying financial statements were available to be issued.

On August 31, 2010, pursuant to the terms of an Investment Agreement dated as of April 29, 2010, by and among the Company, the Bank and SB Acquisition Company, LLC, a wholly-owned subsidiary of Ford Financial Fund, L.P. (the Investor), the Company issued to the Investor (i) 2,250,000 shares of common stock at a purchase price of \$20.00 per share and (ii) 455,000 newly created shares of Series C Convertible Participating Voting Preferred Stock at a purchase price of \$1,000 per share. The aggregate consideration paid to the Company by the Investor for these securities was \$500 million in cash.

On October 18, 2010, the Company commenced a Rights Offering pursuant to which shareholders of record on August 30, 2010 were entitled to purchase, in the aggregate, up to approximately 7.27 million shares of common stock.

On December 28, 2010 the Company effected a 1-for-100 reverse stock split, reducing its authorized common shares from 5 billion to 50 million. All outstanding stock options and warrants to purchase stock, and their respective exercise prices, were adjusted for this reverse stock split.

Pacific Capital Bancorp
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Notes to Financial Statements (Continued)

NOTE 12. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The Company's 2010 and 2009 Form 5500 were prepared under the accrual basis method. The Plan's financial statements report the fair value for fully benefit-responsive investment contracts with an adjustment to record the Plan's net assets at contract value for such investments. The net assets per the Form 5500 reflect the fair value of fully benefit-responsive investment contracts.

The following is a reconciliation of net assets available for benefits as of August 27, 2010 and December 31, 2009 as reported on the financial statements and Form 5500:

	<i>August 27, 2010</i>	<i>December 31, 2009</i>
Per financial statements	\$ --	\$ 1,253,977
Fair value adjustment for fully benefit-responsive investment contracts	--	855
Per Form 5500	<u>\$ --</u>	<u>\$ 1,254,832</u>

The following is a reconciliation of changes in net assets available for benefits for the period ended August 27, 2010 and the year ended December 31, 2009 as reported on the financial statements and Form 5500:

	<i>Period Ended August 27, 2010</i>	<i>Year Ended December 31, 2009</i>
Per financial statements	\$ 708,464	\$ (22,094,543)
Fair value adjustment for fully benefit-responsive investment contracts	(855)	7,206
Per Form 5500	<u>\$ 707,609</u>	<u>\$ (22,087,337)</u>