FIRST PACTRUST BANCORP INC
Form 424B5
June 24, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-170622

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 23, 2010)

1,153,846 Shares of Voting Common Stock

We are offering directly to certain investors an aggregate of 1,153,846 shares of our voting common stock. Concurrent with this offering, we are offering 2,400,000 shares of our voting common stock in an underwritten public offering, referred to herein as the Underwritten Offering. The public offering price per share in the Underwritten Offering will be the same as the price per share offered in this offering. Our voting common stock is listed on the NASDAQ Global Market under the symbol BANC. On June 20, 2013, the last reported sale price of our voting common stock on the NASDAQ Global Market was $13.40 per share.

For a discussion of certain risks that you should consider in connection with an investment in our voting common stock, see Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, as amended, and all subsequent filings under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, as well as the additional risk factors contained in this prospectus supplement beginning on page S-7 and the accompanying prospectus.

These securities are not deposits or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation, referred to herein as the FDIC, or any other government agency.

Neither the Securities and Exchange Commission, referred to herein as the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Offering Price	Proceeds to First PacTrust (before expenses)
Per share of voting common stock	$ 13.00	$ 13.00
Total	$ 14,999,998	$ 14,999,998

The date of this prospectus supplement is June 21, 2013

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading Where You Can Find More Information in the accompanying prospectus and in this prospectus supplement and under the heading Incorporation by Reference in this prospectus supplement.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any written communication from First PacTrust or the underwriters specifying the final terms of this offering. Neither we nor the underwriters have authorized anyone to provide you with different or additional information from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters are offering to sell shares of our voting common stock, and seeking offers to buy shares of our voting common stock only in jurisdictions where offers and sales are permitted. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any shares of our voting common stock and they may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates of this prospectus supplement and the accompanying prospectus, regardless of the time of delivery of this prospectus supplement or any sales of shares of our voting common stock.

In this prospectus supplement and the accompanying prospectus, references to First PacTrust, we, our and us mean First PacTrust Bancorp, Inc excluding, unless the context otherwise requires or as otherwise expressly stated, its subsidiaries.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the information incorporated by reference in them include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including those identified by the words may, will, should, could, anticipate, believe, continue, estimate, expect, forecast, intend, plan, potential, or project and similar exp forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, including, but not limited to:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement for our pending acquisition of The Private Bank of California, or PBOC, or our agreement for our pending sale of certain branches to AmericanWest Bank, or AWB, each described in this prospectus supplement and in the documents incorporated by reference herein;
- the outcome of any legal proceedings that may be instituted against First PacTrust or PBOC;
- the inability to complete the pending PBOC transaction or our pending sale of certain branches to AWB due to the failure to satisfy the conditions to completion;
- risks that our pending acquisition of PBOC, our pending sale of certain branches to AWB or our recently completed acquisitions of Beach Business Bank and Gateway Bancorp may disrupt current plans and operations, the potential difficulties in customer and employee retention as a result of the transactions and the amount of the costs, fees, expenses and charges related to the transactions;
- continuation or worsening of turmoil in the financial markets;
- the credit risks of lending activities, which may be affected by further deterioration in the real estate markets and the financial condition of borrowers, may lead to increased loan and lease delinquencies and losses and nonperforming assets in our loan and lease portfolio, may result in our allowance for loan and lease losses not being adequate to cover actual losses and may require us to materially increase our loan and lease loss reserves;
- the quality and composition of our securities portfolio;
- changes in general economic conditions, either nationally or in our market areas;
- continuation of the historically low short-term interest rate environment, changes in the levels of general interest rates and the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources;
- fluctuations in the demand for loans and leases, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area;
- results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan and lease losses, write down asset values or increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;

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- legislative or regulatory changes that adversely affect our business, including changes in regulatory capital or other rules;
- our ability to control operating costs and expenses;
- staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges;
- errors in our estimates in determining fair value of certain of our assets, which may result in significant declines in valuation;
- the network and computer systems on which we depend could fail or experience a security breach;
- our ability to attract and retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and saving habits;
- adverse changes in the securities markets;
- earthquake, fire or other natural disasters affecting the condition of real estate collateral;
- the availability of resources to address changes in laws, rules or regulations or to respond to regulatory actions;
- inability of key third-party providers to perform their obligations to us;
- changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods;
- war or terrorist activities; and
- other economic, competitive, governmental, regulatory and technological factors affecting our operations, pricing, products and services and the other risks described elsewhere in this prospectus or the documents incorporated by reference herein.

Some of these and other factors are discussed in our annual and quarterly reports previously filed with the SEC. Such developments could have an adverse impact on our financial position and results of operations. If one or more of the factors affecting our forward-looking statements proves incorrect, the actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. The effects of the factors described above are difficult to predict. Factors other than those described above also could adversely affect us, and investors should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

The forward-looking statements are based on our management s beliefs and assumptions and are made as of the date of this prospectus supplement (or, in the case of such statements contained in the accompanying prospectus, or document incorporated by reference, as of the date of such prospectus or document). We undertake no obligation to publicly update or revise any forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by the federal securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference might not occur, and you should not put undue reliance on any forward-looking statements.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-732-0330. The SEC also maintains a website at http://www.sec.gov that contains information we file electronically with the SEC.

We have filed a Registration Statement on Form S-3 (File No. 333-170622) with the SEC regarding the securities offered hereby. This prospectus supplement does not contain all of the information set forth in the registration statement or in the exhibits and schedules thereto, in accordance with the rules and regulations of the SEC, and we refer you to that omitted information. The statements made in this prospectus supplement pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions, and we qualify those statements in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement and its exhibits and schedules are available at the SEC s public reference room or through its website.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus supplement, and information we subsequently file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (File Number 001-35522) (excluding, in each case, information deemed to be furnished and not filed with the SEC) after the date of this prospectus supplement until the completion of this offering. The documents we incorporate by reference are:

- our Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 28, 2013, as amended on Form 10-K/A filed on April 30, 2013;

- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed on May 10, 2013; and

- our Current Reports on Form 8-K filed with the SEC on November 2, 2012; January 3, 2013; February 19, 2013; March 4, 2013; March 5, 2013; April 2, 2013; April 11, 2013; April 25, 2013 (two filings); May 6, 2013; May 15, 2013; June 3, 2013; June 4, 2013 (two filings); June 5, 2013; June 6, 2013; and June 12, 2013.

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Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this prospectus supplement or the accompanying prospectus.

We will provide without charge to each person to whom a copy of this prospectus supplement has been delivered, upon written or oral request, a copy of any or all of the documents we incorporate by reference in this prospectus supplement, other than any exhibit to any of those documents, unless we have specifically incorporated that exhibit by reference into the information this prospectus supplement incorporates. You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or calling us at Investor Relations, First PacTrust Bancorp, Inc., 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612, telephone number (949) 236-5300.

In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information. The agreements may contain representations and warranties, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. Because it is a summary, it may not contain all of the information that is important to you. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors beginning on page S-7 of this prospectus supplement, as well as the documents incorporated by reference in this prospectus supplement, before making a decision to invest in shares of our voting common stock.

First PacTrust

We are a bank holding company incorporated in the state of Maryland, primarily engaged in the business of planning, directing and coordinating the business activities of our wholly owned subsidiaries, Pacific Trust Bank, a federally chartered savings bank, referred to herein as PacTrust, and Beach Business Bank, a California state-chartered bank, referred to herein as Beach. We are headquartered in Irvine, California and currently have 20 banking offices in Los Angeles, Orange, San Diego and Riverside counties, eight of which we have agreed to sell, as described under Recent Developments Pending Sale of Branches, and 38 loan production offices in California, Arizona, Oregon, Montana and Washington. PacTrust is a 71-year-old, community-oriented financial institution offering a variety of financial services to meet the needs of the communities we serve. PacTrust s principal business consists of attracting retail deposits from the general public and investing these funds primarily in permanent loans secured by first mortgages on owner-occupied, one- to four-family residences and a variety of consumer loans. PacTrust also originates loans secured by multi-family and commercial real estate and, to a lesser extent, commercial business loans. Beach is a community bank engaged in the general commercial banking business. Beach offers deposit and loan products to individuals and small- to mid-sized businesses. Beach s business plan emphasizes providing specialized financial services to individuals and businesses in its service area. In addition, Beach specializes in providing U.S. Small Business Administration, or SBA, loans, as a member of the SBA s Preferred Lender Program.

We had total consolidated assets of $2.1 billion at March 31, 2013, an increase of $368.4 million compared to $1.7 billion at December 31, 2012 and an increase of $968.0 million compared to $1.1 billion at March 31, 2012. Total consolidated loans and leases receivable of $1.6 billion at March 31, 2013 increased $377.2 million compared to $1.2 billion at December 31, 2012 and increased $783.0 million compared to $828.3 million at March 31, 2012. The increases in total assets and loans and leases receivable were due mainly to organic loan growth, loans acquired in the Beach and Gateway Bancorp, or Gateway, acquisitions and purchases of seasoned residential mortgage loans. Total consolidated deposits of $1.7 billion at March 31, 2013 represented an increase of $392.5 million compared to $1.3 billion at December 31, 2012 and an increase of $845.0 million compared to $853.8 million at March 31, 2012.

Total consolidated shareholders equity decreased $0.5 million, or 0.3%, to $188.3 million at March 31, 2013 compared to $188.8 million at December 31, 2012 and increased $4.3 million compared to $184.0 million at March 31, 2012. Net income for the three month period ended March 31, 2013 was $929 thousand, reflecting a $552 thousand or 146.4% increase over net income of $377 thousand in the same period of the prior year. Pacific Trust Bank total equity was $174.7 million at March 31, 2013, or 10.6% of its total assets on that date. As of March 31, 2013, Pacific Trust Bank regulatory capital ratios were as follows: core capital 10.5%; Tier 1 risk-based capital 18.0%; and total risk-based capital 19.3%. Beach Business Bank total equity was $53.1

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million at March 31, 2013, or 13.1% of its total assets on that date. As of March 31, 2013, Beach Business Bank s regulatory capital ratios were as follows: core capital 13.4%; Tier 1 risk-based capital 15.4%; and total risk-based capital 16.1%.

Our goal is to be the premier community bank holding company in Southern California, serving the needs of growing families, high net worth individuals, professionals and small- to mid-sized businesses and their owners. Toward this end, we have adopted a business plan aimed at completing our transformation from a traditional thrift to a full-service community bank through a combination of organic growth and acquisitions.

Our principal executive offices are located at 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612. Our telephone number is (949) 236-5300. Our internet address is www.firstpactrustbancorp.com. Information contained on or accessible from our website is not incorporated into this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Beach Business Bank Acquisition

On July 1, 2012, we completed our acquisition of Beach for aggregate cash consideration of approximately $39.1 million plus one-year warrants to purchase up to an aggregate of 1.4 million shares of our common stock at an exercise price of $14.00 per share. As of July 1, 2012, Beach had total assets of $312.0 million, total loans of $229.7 million and total deposits of $271.3 million. Upon the completion of the acquisition, Beach became a wholly owned subsidiary of First PacTrust.

Gateway Bancorp Acquisition

On August 17, 2012, we completed our acquisition of Gateway, the holding company for Gateway Business Bank, for an aggregate purchase price of $15.4 million in cash. In connection with the acquisition, Gateway Business Bank was merged into PacTrust. As of August 17, 2012, Gateway Business Bank had total assets of $178.0 million, total loans of $131.3 million and total deposits of $143.0 million. The acquisition included Mission Hills Mortgage Bankers, the mortgage banking division of Gateway Business Bank. From 2006 through the acquisition date, Mission Hills Mortgage Bankers originated approximately $6 billion of mostly prime mortgage loans, a majority of which have been sold servicing-released through correspondent relationships with financial institutions including through Government Sponsored Enterprises. Prior to merging with PacTrust, Gateway Business Bank independently operated two full service branches in Laguna Hills and Lakewood, California and Mission Hills Mortgage Bankers operated 22 retail mortgage production offices throughout California, Oregon, Washington and Arizona. Mission Hills Mortgage Bankers now operates as a division of PacTrust.

Pending Acquisition of The Private Bank of California

On August 21, 2012, First PacTrust and Beach entered into a definitive agreement to acquire all of the outstanding stock of The Private Bank of California, or PBOC, a California-chartered bank. Pursuant to the agreement, if the PBOC merger is completed, PBOC will merge with and into Beach (or at the option of First PacTrust, PacTrust). At March 31, 2013, PBOC had total assets of $674.3 million, total loans, net of allowance for loan losses, of $369.4 million and total deposits of

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$580.7 million. PBOC provides a range of financial services, including credit and deposit products, as well as cash management services, from its headquarters located in the Century City area of Los Angeles, California, its full-service branch in Hollywood and its loan production office in downtown Los Angeles. PBOC s target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses and non-profit organizations.

If the PBOC merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) $24,887,513 in cash, in each case subject to certain adjustments. If the total value of the merger consideration, calculated for this purpose using $12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC s tangible common equity as of the last business day of the month immediately prior to the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related costs and expenses) then the cash portion of the merger consideration will be adjusted downward until the total value of the merger consideration is equal to such amount. We plan to finance the cash portion of the merger consideration with cash on hand.

In addition, if the PBOC merger is completed, each share of preferred stock issued by PBOC as part of the Small Business Lending Fund, or SBLF, program of the United States Department of Treasury (10,000 shares in the aggregate with a liquidation preference of $1,000 per share) will be converted automatically into one substantially identical share of First PacTrust preferred stock, to be designated Senior Non-Cumulative Perpetual Preferred Stock, Series B, referred to herein as the Series B Preferred Stock. The terms of the Series B Preferred Stock to be issued by First PacTrust in exchange for the PBOC preferred stock are substantially identical to, and will rank equally with, the Senior Non-Cumulative Perpetual Preferred Stock, Series A, referred to herein as the Series A Preferred Stock, previously issued by First PacTrust (and currently outstanding) as part of its own participation in the SBLF program (32,000 shares in the aggregate with a liquidation preference of $1,000 per share). Upon its issuance, the Series B Preferred Stock will also rank equally with our 8.00% Non-Cumulative Perpetual Preferred Stock, Series C (liquidation preference of $1,000 per share), referred to herein as the Series C Preferred Stock. We issued the Series C Preferred Stock in connection with the underwritten public offering that we completed on June 12, 2013 of 1.4 million depositary shares, each representing a 1/40th interest in a share of the Series C Preferred Stock. As of June 19, 2013, 35,000 shares of the Series C Preferred Stock are outstanding, which will increase to 40,250 shares if the underwriters of that offering exercise their overallotment option in full.

Completion of the PBOC transaction is subject to certain conditions, including approval by PBOC shareholders (a meeting for which occurred on June 20, 2013). Our merger application for Beach and PBOC was approved by the California Department of Financial Institutions on March 21, 2013 and by the FDIC on March 27, 2013. We expect to complete the transaction on or before July 5, 2013, although we cannot assure you that the transaction will close by such date or at all. The acquisition will be accounted for under the acquisition method of accounting.

Pending Sale of Branches

On May 31, 2013, PacTrust entered into a definitive agreement with AmericanWest Bank, or AWB, a Washington state chartered bank, pursuant to which PacTrust agreed to sell eight branches and related assets and deposit liabilities to AWB (referred to herein as the Branch Sale). The

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branches that are being sold are located in Riverside, Temecula, Chula Vista, El Cajon, San Diego and Lakewood, California. At the close of the transaction, AWB will assume certain of the liabilities and obligations of the branches, and PacTrust will sell and transfer to AWB certain real property for three of the branch locations that are owned by PacTrust, as well as leasehold interests for the other five of the branch locations, together with furniture, fixtures and equipment. At the close of the transaction, PacTrust will receive the following overall purchase price: (1) a deposit premium generally calculated as 2.3% of the average daily deposit balance of the assumed deposit accounts, subject to certain exclusions and exceptions as described in the agreement, (2) $5.8 million for the purchase of the three owned branches and (3) $0.5 million for furniture, fixtures and equipment. The agreement targets an October 4, 2013 closing date, subject to obtaining regulatory approval and satisfaction of other conditions to closing.

Risk Factors

Investing in shares of our voting common stock involves risks. You should carefully consider the information under Risk Factors beginning on page S-7 of this prospectus supplement and under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed with the SEC on March 28, 2013, as amended on Form 10-K/A, filed with the SEC on April 30, 2013, and in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013, filed with the SEC on May 10, 2013, as well as all other information included in this prospectus, including the documents incorporated by reference in this prospectus.

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THE OFFERING

The following summary contains basic information about our voting common stock. This description is not complete and does not contain all of the information that you should consider before investing in shares of our voting common stock. For a more complete understanding of our voting common stock, you should read Description of Capital Stock in this prospectus supplement as well as Description of Common Stock and Preferred Stock Common Stock in the accompanying prospectus. To the extent that the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. In this section, the Company, we, our, or us refer only to First PacTrust Bancorp, Inc. and not to any of its subsidiaries.

Issuer	First PacTrust Bancorp, Inc.
Voting common stock offered in this offering	1,153,846 shares.
Voting common stock offered in the Underwritten Offering	2,400,000 shares (or 2,760,000 shares if the underwriters exercise in full their overallotment option to purchase additional shares).
Voting common stock to be outstanding after this offering and the Underwritten Offering	14,986,122 shares (or 15,346,122 shares if the underwriters of the Underwritten Offering exercise in full their overallotment option to purchase additional shares).[1]
Net proceeds	The net proceeds, after placement agent fees and estimated expenses, to us from the sale of the voting common stock offered in this offering will be approximately $14.2 million. The net proceeds, after underwriting discounts and commissions and estimated expenses, to us from the sale of the voting common stock offered in the Underwritten Offering will be approximately $29.2 million (or approximately $33.6 million if the underwriters exercise in full their overallotment option).

[1] The number of shares of voting common stock to be outstanding after this offering and the Underwritten Offering is based on 11,432,276 shares of our voting common stock outstanding and 574,258 shares of our non-voting common stock outstanding as of June 18, 2013, but does not include:

575,799 shares of voting common stock issuable upon exercise of outstanding stock options;
1,635,000 shares of voting common stock reserved for potential issuance under warrants issued in connection with a common stock offering we completed in November 2010. The warrants are currently exercisable for shares of our non-voting common stock, but will be exercisable for voting common stock in lieu of non-voting common stock following the transfer of the warrants in a widely dispersed offering or in other limited circumstances;
1,401,959 shares of voting common stock reserved for potential issuance under warrants issued in connection with our acquisition of Beach;
in accordance with the terms of existing stock appreciation rights issued under the terms of our Chief Executive Officer s employment agreement, additional stock appreciation rights in respect of approximately 99,675 shares of our common stock with an exercise price equal to the price per share offered in this offering and the

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Use of proceeds	We intend to retain the majority of the net proceeds from this offering and the Underwritten Offering at First PacTrust for possible acquisitions, support of organic growth, investments in, or extensions of credit to, our subsidiaries, investments in securities and for general corporate purposes.
NASDAQ Global Market symbol	BANC
Risk factors	Investing in our voting common stock involves risks. Before investing, you should consider carefully the matters set forth under Risk Factors, beginning on page S-7, for a discussion of the risks related to an investment in our voting common stock.

Underwritten Offering will be issued upon consummation of this offering and the Underwritten Offering (or approximately 113,643 shares if the underwriters of the Underwritten Offering exercise in full their overallotment option); or

shares of voting common stock reserved for potential issuance under the Common Stock Share Exchange Agreement, dated May 29, 2013, referred to herein as the Exchange Agreement, between First PacTrust and TCW Shared Opportunity Fund V, L.P., referred to herein as SHOP V Fund. Pursuant to the Exchange Agreement, SHOP V Fund may from time to time exchange its shares of First PacTrust s Class B Non-Voting Common Stock, referred to herein as non-voting common stock, for shares of voting common stock issued by First PacTrust on a share-for-share basis, provided that immediately following any such exchange, SHOP V Fund s percentage ownership of voting common stock does not exceed 9.99%. Based on 14,986,122 shares of voting common stock to be outstanding following this offering and the Underwritten Offering, SHOP V Fund would have the ability to exchange up to 423,918 shares of non-voting common stock (up to 459,882 shares if the underwriters of the Underwritten Offering exercise in full their overallotment option to purchase additional shares) for the same number of shares of voting common stock and stay within its 9.99% voting common stock ownership limitation. Based on the representations made by SHOP V Fund in the Exchange Agreement as to the number of shares of non-voting common stock held by it as of the date of the Exchange Agreement (1,044,579 shares) and the exchange by SHOP V Fund on June 3, 2013 of 550,000 shares of non-voting common stock for the same number of shares of voting common stock, First PacTrust believes that SHOP V Fund held approximately 494,579 shares of non-voting common stock as of June 18, 2013. SHOP V Fund also holds a warrant to purchase 240,000 shares of non-voting common stock that was issued to it in connection with the common stock offering we completed in November 2010, referred to in the second bullet point of this footnote. Any shares of non-voting common stock acquired by SHOP V Fund upon the exercise of that warrant may be exchanged by it for shares of voting common stock pursuant to the Exchange Agreement, subject to the 9.99% voting common stock ownership limitation of the Exchange Agreement. In addition, any shares of non-voting common stock acquired by SHOP V Fund in the future through our dividend reinvestment plan may be exchanged by it for shares of voting common stock pursuant to the Exchange Agreement, subject to the 9.99% voting common stock ownership limitation of the Exchange Agreement.

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RISK FACTORS

An investment in shares of our voting common stock involves various risks. You should carefully consider the risk factors described in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed on March 28, 2013, as amended on Form 10-K/A, filed on April 30, 2013, and in Part II, Item 1A, Risk Factors in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013, filed on May 10, 2013, and in our other reports filed from time to time with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. You should carefully consider the risks described below, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our voting common stock. The risks described below are not the only risks applicable to us. Additional risks not currently known to us or that we currently consider immaterial also may impair our business.

Risks Relating to Our Business and Operating Environment

Our business strategy includes significant growth plans, and our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

We intend to pursue an organic and acquisition growth strategy for our business. We regularly evaluate potential acquisitions and expansion opportunities. If appropriate opportunities present themselves, we expect to engage in selected acquisitions of financial institutions, branch acquisitions and other business growth initiatives or undertakings. There can be no assurance that we will successfully identify appropriate opportunities, that we will be able to negotiate or finance such activities or that such activities, if undertaken, will be successful.

There are risks associated with our growth strategy. To the extent that we grow through acquisitions, we cannot ensure that we will be able to adequately or profitably manage this growth. Acquiring other banks, branches or other assets, as well as other expansion activities, involves various risks including the risks of incorrectly assessing the credit quality of acquired assets, encountering greater than expected costs of integrating acquired banks or branches into PacTrust, and/or Beach, the risk of loss of customers and/or employees of the acquired institution or branch, executing cost savings measures, not achieving revenue enhancements and otherwise not realizing the transaction s anticipated benefits. Our ability to address these matters successfully cannot be assured. In addition, our strategic efforts may divert resources or management s attention from ongoing business operations, may require investment in integration and in development and enhancement of additional operational and reporting processes and controls and may subject us to additional regulatory scrutiny.

Our growth initiatives may also require us to recruit experienced personnel to assist in such initiatives. Accordingly, the failure to identify and retain such personnel would place significant limitations on our ability to successfully execute our growth strategy. In addition, to the extent we expand our lending beyond our current market areas, we could incur additional risks related to those new market areas. We may not be able to expand our market presence in our existing market areas or successfully enter new markets.

If we do not successfully execute our acquisition growth plan, it could adversely affect our business, financial condition, results of operations, reputation and growth prospects. In addition, if we were to conclude that the value of an acquired business had decreased and that the related

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goodwill had been impaired, that conclusion would result in an impairment of goodwill charge to us, which would adversely affect our results of operations. While we believe we will have the executive management resources and internal systems in place to successfully manage our future growth, there can be no assurance growth opportunities will be available or that we will successfully manage our growth.

Additionally, we may pursue divestitures of non-strategic branches or other assets. Such divestitures involve various risks, including the risks of not being able to timely or fully replace liquidity previously provided by deposits which may be transferred as part of a divestiture, which could adversely affect our financial condition and results of operations.

Our allowance for loan and lease losses may prove to be insufficient to absorb probable incurred losses in our loan and lease portfolio.

Lending money is a substantial part of our business. Every loan and lease carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things:

- cash flow of the borrower and/or the project being financed;
- in the case of a collateralized loan or lease, the changes and uncertainties as to the future value of the collateral;
- the credit history of a particular borrower;
- changes in economic and industry conditions; and
- the duration of the loan or lease.

We maintain an allowance for loan and lease losses which we believe is appropriate to provide for probable incurred losses in our loan and lease portfolio. The amount of this allowance is determined by our management through a periodic review and consideration of several factors, including, but not limited to:

- an ongoing review of the quality, size and diversity of the loan and lease portfolio;
- evaluation of non-performing loans and leases;
- historical default and loss experience;
- historical recovery experience;
- existing economic conditions;
- risk characteristics of the various classifications of loans and leases; and

- the amount and quality of collateral, including guarantees, securing the loans and leases.

If our loan and lease losses exceed our allowance for probable incurred loan and lease losses, our business, financial condition and profitability may suffer.

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The determination of the appropriate level of the allowance for loan and lease losses inherently involves a high degree of subjectivity and requires us to make various assumptions and judgments about the collectability of our loan and lease portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans and leases. In determining the amount of the allowance for loan and lease losses, we review our loans and leases and the loss and delinquency experience, and evaluate economic conditions and make significant estimates of current credit risks and future trends, all of which may undergo material changes. If our estimates are incorrect, the allowance for loan and lease losses may not be sufficient to cover losses inherent in our loan and lease portfolio, resulting in the need for additions to our allowance through an increase in the provision for loan and lease losses. Continuing deterioration in economic conditions affecting borrowers, new information regarding existing loans and leases, identification of additional problem loans and leases and other factors, both within and outside of our control, may require an increase in the allowance for loan and lease losses. Our allowance for loan and lease losses was 1.53% of loans and leases held for investment attributable to the allowance and 94.9% of nonperforming loans at March 31, 2013. In addition, bank regulatory agencies periodically review our allowance for loan and lease losses and may require an increase in the provision for loan and lease losses or the recognition of further charge-offs, based on judgments different than that of management. If charge-offs in future periods exceed the allowance for loan and lease losses, we will need additional provisions to increase the allowance for loan and lease losses. Any increases in the provision for loan and lease losses will result in a decrease in net income and may have a material adverse effect on our financial condition and results of operations.

Our business may be adversely affected by credit risk associated with residential property and declining property values.

At March 31, 2013, $1.0 billion, or 63.3% of our total gross loan and lease portfolio, was secured by single-family mortgage loans and home equity lines of credit. This type of lending is generally sensitive to regional and local economic conditions that significantly impact the ability of borrowers to meet their loan payment obligations, making loss levels difficult to predict. The decline in residential real estate values as a result of the downturn in the California housing markets has reduced the value of the real estate collateral securing these types of loans and increased the risk that we would incur losses if borrowers default on their loans. Residential loans with high combined loan-to-value ratios generally will be more sensitive to declining property values than those with lower combined loan-to-value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, the borrowers may be unable to repay their loans in full from the sale proceeds. As a result, these loans may experience higher rates of delinquencies, defaults and losses, which will in turn adversely affect our financial condition and results of operations.

Our underwriting practices may not protect us against losses in our loan portfolio.

We seek to mitigate the risks inherent in our loan portfolio by adhering to specific underwriting practices, including: analyzing a borrower s credit history, financial statements, tax returns and cash flow projections; valuing collateral based on reports of independent appraisers; and verifying liquid assets. Although we believe that our underwriting criteria are, and historically have been, appropriate for the various kinds of loans we make, we have incurred losses on loans that have met these criteria, and may continue to experience higher than expected losses depending on economic factors and consumer behavior. In addition, our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage and underwrite our customers become less predictive of future behaviors. Finally, we may have higher credit risk, or experience higher credit losses, to the extent our loans are concentrated

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by loan type, industry segment, borrower type or location of the borrower or collateral. Our residential loan portfolio is largely jumbo loans that exceed the loan size limit of Fannie Mae and Freddie Mac and therefore have a more limited secondary market demand than that of conforming loans. At March 31, 2013, 71% of our commercial real estate loans and 78% of our residential mortgages were secured by collateral in Southern California. Deterioration in real estate values and underlying economic conditions in Southern California could result in significantly higher credit losses to our portfolio.

Our income property loans, consisting of commercial and multi-family real estate loans, involve higher principal amounts than other loans and repayment of these loans may be dependent on factors outside our control or the control of our borrowers.

We originate commercial and multi-family real estate loans for individuals and businesses for various purposes, which are secured by commercial properties. These loans typically involve higher principal amounts than other types of loans, and repayment is dependent upon income generated, or expected to be generated, by the property securing the loan in amounts sufficient to cover operating expenses and debt service, which may be adversely affected by changes in the economy or local market conditions. For example, if the cash flow from the borrower s project is reduced as a result of leases not being obtained or renewed, the borrower s ability to repay the loan may be impaired. Commercial and multi-family real estate loans also expose us to greater credit risk than loans secured by residential real estate because the collateral securing these loans typically cannot be sold as easily as residential real estate. In addition, many of our commercial and multi-family real estate loans are not fully amortizing and contain large balloon payments upon maturity. Such balloon payments may require the borrower to either sell or refinance the underlying property in order to make the payment, which may increase the risk of default or non-payment.

If we foreclose on a commercial or multi-family real estate loan, our holding period for the collateral typically is longer than for residential mortgage loans because there are fewer potential purchasers of the collateral. Additionally, commercial and multi-family real estate loans generally have relatively large balances to single borrowers or related groups of borrowers. Accordingly, if we make any errors in judgment in the collectability of our commercial and multi-family real estate loans, any resulting charge-offs may be larger on a per loan basis than those incurred with our residential or consumer loan portfolios. As of March 31, 2013, our commercial and multi-family real estate loans totaled $457.7 million, or 28.2% of our total gross loan portfolio.

Our portfolio of Green Loans subjects us to greater risks of loss.

We have a portfolio of Green Account home equity loans, referred to herein as Green Loans, which generally have a 15-year draw period with interest-only payment requirements and a balloon payment requirement at the end of the draw period. The