



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

California Oaks State Bank

Person to be contacted regarding this report:	Jerry D. Smith
UST Sequence Number:	418
CPP Funds Received:	3,300,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jan 23, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	34579
City:	Thousand Oaks
State:	California

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The Bank was able to reduce lending less than it did as the additional CPP capital brought into the Bank increased the Bank's Tier 1 and Total Capital to Risk Weighted Assets ratios and allowed the Bank to maintain its Asset size.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input checked="" type="checkbox"/>	Make other investments	Due to the decreased borrowing requests from the customer base, the Bank was able to maintain its Asset size throughout the year as it was able to maintain the funds in overnight and short term investments with correspondent Banks until borrowing requests began to increase.
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The Bank was able to maintain its Asset size of approximately \$125 million because of the Preferred Stock issued to the U.S. Treasury. The Bank was able to address its loan and economic issues aggressively knowing that it could have absorbed additional deterioration in its loan portfolio.

What actions were you able to avoid because of the capital infusion of CPP funds?

Acceptance of the CPP capital meant that the Bank was able to concentrate on insuring that it could aggressively deal with loan problems created by the deteriorating economy and not worry about the prospects of a possible public and/or private capital raise that would have been very time consuming and expensive for the Bank to achieve during a time when raising capital would be very difficult to complete.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As stated earlier, the Bank was able to maintain its Asset size during the year at approximately \$125 million because of the CPP Capital Funding and not worry about maintaining well capitalized regulatory minimum ratios while the U.S. economy was going through a recession.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.