

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
OF
AMERICAN RIVIERA BANK

To Be Held May 7, 2009

This proxy statement is furnished in connection with the solicitation of proxies to be used by the Board of Directors of American Riviera Bank (the "Bank") at the Annual Meeting of Shareholders of the Bank currently scheduled to be held at American Riviera Bank, 1033 Anacapa Street, Santa Barbara, California 93101, on Thursday May 7, 2009 at 5:00 p.m., and at any adjournments thereof (the "Meeting").

The matters to be considered and voted upon at the Meeting will include:

1. ELECTION OF DIRECTORS. To elect the following fourteen (14) directors of the Bank to serve as directors of the Bank until the next Annual Meeting of Shareholders and until their respective successors are elected and have qualified:

Bruce N. Anticouni	Tad M. Buchanan
Frank Burgess	Darren D. Caesar
Joe Campanelli	Jeff DeVine
David Duarte	J. Michael Giles
Palmer G. Jackson, Jr.	Lawrence Koppelman
Douglas Margerum	Alixé Mattingly
Gordon McKay	Guy Taylor

2. APPROVAL OF 2009 OMNIBUS STOCK INCENTIVE PLAN: To approve the Bank's 2009 Omnibus Stock Incentive Plan (the "2009 Plan") that would allow for the granting of up to 735,776 shares in the form of stock options, stock appreciation rights, restricted stock, deferred shares and performance shares and units that is intended to replace the Bank's 2006 Stock Incentive Plan, as described in Proposal 2 herein.

3. BYLAW AMENDMENT: REDUCTION IN NUMBER OF DIRECTORS. To approve an amendment to the Bylaws to reduce the authorized number of directors of the Corporation to be not less than eight (8) nor more than fifteen (15), as described in Proposal 3 herein.

4. OTHER BUSINESS. To consider and transact such other business as may properly come before the meeting and any adjournment or adjournments thereof.

This Proxy Statement and the accompanying form of proxy are being mailed on approximately Monday, April 6, 2009 to all persons who were shareholders as of Monday, March 23, 2009.

Revocability of Proxies

A form of proxy for voting your shares at the Meeting is enclosed. Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted by filing with the Secretary of the Bank an instrument revoking it or a duly executed proxy bearing a later date. In addition, the powers of the proxyholders will be revoked if the person executing the proxy is present at the Meeting and advises the Chairman of his or her election to vote in person. Shares represented by a properly executed proxy received prior to the Meeting will be voted in accordance

with the shareholder's specifications, as noted on the proxy, or if not otherwise specified, and unless revoked, such shares will be voted in favor of election of the nominees specified herein.

The proxy also confers discretionary authority to vote the shares represented thereby on any matter that was not known at the time this Proxy Statement was mailed which may properly be presented for action at the Meeting and may include: action with respect to procedural matters pertaining to the conduct of the Meeting; and election of any person to any office for which a bona fide nominee is named herein if such nominee is unable to serve or for good cause will not serve.

Persons Making the Solicitation

The Bank's Board of Directors is soliciting the enclosed proxy. The principal solicitation of proxies is being made by mail, although additional solicitation may be made by telephone, telegraph or personal visits by directors, officers and employees of the Bank. The total expense of this solicitation will be borne by the Bank and will include reimbursement paid to brokerage firms and others for their expenses in forwarding soliciting material.

VOTING SECURITIES

Outstanding Shares and Record Date

Shareholders of record as of the close of business on March 23, 2009 ("Record Date") will be entitled to notice of and to vote at the Meeting. As of such date, the Bank had issued and outstanding 2,506,756 shares of common stock, no par value ("Common Stock").

Voting Rights

For each matter submitted to the vote of the shareholders, each holder of Common Stock will be entitled to one vote, in person or by proxy, for each share of Common Stock he or she held of record on the books of the Bank as of the Record Date or any matter submitted to the vote of shareholders, except that in connection with the election of directors, shares may be voted cumulatively if a candidate's or candidates' name(s) have been properly placed in nomination prior to the voting and a shareholder present at the Meeting gives notice at the Meeting, prior to the voting for election of directors, his or her intention to vote cumulatively. If any shareholder of the Bank gives such notice, then all shareholders eligible to vote will be entitled to cumulate their votes. Cumulative voting allows a shareholder to cast a number of votes equal to the number of shares held in his or her name as of the Record Date, multiplied by the number of directors elected. These votes may be cast for any one nominee, or may be distributed among as many nominees as the shareholder sees fit. In the election of directors, the fourteen (14) nominees receiving the highest number of votes will be elected. In connection with the other proposals, a majority of the issued and outstanding shares are required to approve those proposals.

The presence, in person or by proxy, of a majority of the shares entitled to vote will constitute a quorum for the Meeting. Votes cast by proxy or in person at the Meeting will be counted by appointed inspectors of election. The inspectors of election will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote, for purposes of determining the presence of a quorum and for purposes of determining the outcome of any matter submitted to the shareholders for a vote. Abstentions, however, do not constitute a vote "for" or "against" any matter and thus will be disregarded in the calculation of a plurality or of "votes cast." The inspectors of election will treat shares referred to as "broker non-votes" (i.e., shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote or that the broker or nominee does not have discretionary power to vote on a particular matter) as shares that are present and entitled to vote for purposes of determining the presence of a quorum. However, for purposes of determining the outcome of any matter as to which

the broker has physically indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter even though those shares are considered entitled to vote for quorum purposes and may be entitled to vote on other matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 23, 2009 pertaining to beneficial ownership of the Bank's Common Stock by persons known to the Bank to own five percent (5%) or more of such stock, current directors and nominees for election as directors, Executive Officers¹ of the Bank, and all current directors and Executive Officers of the Bank as a group. The information contained herein has been obtained from the Bank's records and from information furnished directly by the individual or entity to the Bank.

The table should be read with the understanding that more than one (1) person may be the beneficial owner or possess certain attributes of beneficial ownership with respect to the same securities.

<u>Name and Address of Beneficial Owner</u> ²	<u>Title</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Bruce N. Anticouni	Director	52,500 ³	1.84%
Tad M. Buchanan	Director	12,500 ³	0.44%
Frank Burgess	Director	107,200	3.75%
Darren D. Caesar	Director	39,975 ³	1.40%
Joe Campanelli	Director	28,500 ³	1.00%
Jeff DeVine	Director, President and CEO	1,000	0.03%
David Duarte	Director, EVP, COO and CCO	67,928 ⁴	2.38%
J. Michael Giles	Director	32,500 ³	1.14%
Palmer G. Jackson, Jr.	Director	30,200 ³	1.06%
Lawrence Koppelman	Director, Chairman of the Board	82,000 ⁵	2.87%
Laurie Leighty	SVP, Head of Operations & Human Resources	21,786 ⁶	0.76%
Douglas Margerum	Director	26,000 ³	0.91%
Michelle Martinich	SVP, Chief Financial Officer	21,886 ⁶	0.77%
Alix Mattingly	Director	14,000 ⁷	0.49%
Gordon McKay, CPA	Director	35,000 ³	1.22%
Guy Taylor	Director	25,000 ³	0.87%
All Directors and Executive Officers as a Group (16 in number)		606,307 ⁸	20.91%

¹ As used throughout this document, the term "executive officer" means the President and Chief Executive Officer; the Senior Vice President and Chief Financial Officer; the Executive Vice President, Chief Operating Officer and Chief Credit Officer; and the Senior Vice President, Head of Operations and Human Resources.

² Beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has: (a) voting power, which includes the power to vote, or to direct the voting of such security; and/or (b) investment power, which includes the power to dispose, or to direct the disposition, of such security. Beneficial owner includes any person who has the right to acquire beneficial ownership of such security as defined above within 60 days of the Record Date. The address for all Directors and Executive Officers is the head office of the Bank located at 1033 Anacapa Street, Santa Barbara, CA 93101.

³ Includes 12,500 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

⁴ Includes 55,728 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

⁵ Includes 20,000 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

⁶ Includes 20,786 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

⁷ Includes 7,000 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

⁸ Includes 245,132 options granted under the Bank's Stock Incentive Plan which are exercisable within 60 days of the Record Date.

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for Election as Directors

The persons named below will be nominated for election as directors to serve until the 2010 Annual Meeting of Shareholders and until their successors are elected and have qualified. Votes will be cast in such a way as to effect the election of all fourteen (14) nominees, or as many thereof as possible under the rules of cumulative voting.

If any nominee should become unable or unwilling to serve as a director, the proxies will be voted for such substitute nominee as shall be designated by the Board of Directors. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve. Additional nominations can be made only by complying with the notice provisions included in the Bank's Bylaws. The Bylaw provision is designed to give the Board of Directors advance notice of competing nominations, if any, and the qualifications of nominees, and may have the effect of precluding third-party nominations if the procedures specified therein are not followed. The fourteen (14) nominees receiving the highest number of Common Stock votes at the Meeting shall be elected.

None of the directors, nominees or executive officers of the Bank was selected pursuant to any arrangement or understanding, other than with the directors and executive officers of the Bank, acting within their capacities as such. There are no family relationships between the directors and executive officers of the Bank. Except for Mr. Burgess, none of the directors or executive officers of the Bank serve as directors of any company which has a class of securities registered under, or which is subject to the periodic reporting requirements of, the Securities Exchange Act of 1934 or any investment company registered under the Investment Company Act of 1940.

The following table provides certain information as of the Record Date with respect to each person nominated and recommended to be elected by the current Board of Directors of the Bank. Reference is made to the section entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" for information pertaining to stock ownership of the nominees.

<u>Name and Office Held</u>	<u>Age as of 3/23/2009</u>	<u>Principal Occupation For Past Five (5) Years</u>	<u>Director or Executive Officer of Bank Since</u>
Bruce N. Anticouni Director	65	Attorney, Anticouni & Associates	2006
Tad M. Buchanan Director	49	Managing Member, Woodside Partners, LLC	2006
Frank Burgess Director	65	President/CEO, Madison Investment Advisors, Inc.	2006
Darren D. Caesar Director, Vice Chairman of Board	41	Senior Vice President, HUB International of California	2006
Joe Campanelli Director	59	President, Campanelli Construction Company	2006
Jeff DeVine Director, President and CEO	40	Banker	2008
David Duarte Director, EVP, COO and CCO	59	Banker	2006
J. Michael Giles Director	67	Commercial and Investment Banker Retired	2006
Palmer Jackson, Jr. Director	44	Chief Marketing Officer Cogi, Inc.	2006
Lawrence Koppelman Director, Chairman of the Board	68	President, Koppelman & Co	2006
Douglas Margerum Director	49	Owner Margerum Wine Company Inc.	2006
Alix Mattingly Director	51	Communications Consultant	2006
Gordon McKay Director	55	CPA, Partner Berti, Spechler, Sarmiento, McKay & Co.	2006
Guy Taylor Director	53	Chief Executive Officer Equi-trax Asset Solutions, LP	2006

During 2008, Jeffrey Giller, resigned from the Board due to other responsibilities and previous commitments. The Bank appreciates all that Mr. Giller has done during his tenure as an organizer and a director of the Bank.

THE BOARD OF DIRECTORS INTENDS TO VOTE ALL SHARES OF COMMON STOCK SUBSCRIBED FOR BY IT IN FAVOR OF ELECTION OF EACH OF THE NOMINEES. YOU ARE URGED TO VOTE FOR PROPOSAL 1: TO ELECT THE FOURTEEN (14) NOMINEES SET FORTH HEREIN TO SERVE UNTIL THE 2010 ANNUAL MEETING OF SHAREHOLDERS AND UNTIL THEIR RESPECTIVE SUCCESSORS SHALL BE ELECTED AND QUALIFIED.

The Board of Directors and Committees

The Bank commenced business on July 18, 2006. In 2008, the Board of Directors of the Bank held twelve (12) regular meetings and one (1) special meeting. In addition to meeting as a group to review the Bank's business, certain members of the Board of Directors of the Bank also devote their time and talents to the following standing committees:

The Bank's Executive and Governance Committee, which currently consists of Darren Caesar (Chairman), Joe Campanelli, Jeff DeVine, David Duarte, Lawrence Koppelman and Alixe Mattingly, with J. Michael Giles as an alternate member, serve as the administrative arm of the Board and held eight (8) regular meetings in 2008. The Executive Committee is empowered to act for the full Board in its absence. This committee handles matters requiring Board review that arise between full Board meetings. The Executive Committee may relieve the full Board of detailed reviews of information and operational activities. All major functions of the Bank will be subject to review and approval by the Executive Committee. The Executive Committee coordinates the work of other Board committees. The Executive Committee does not have the authority to exercise all of the Board's powers; for example, the full Board generally reserves the right to execute extraordinary contracts such as mergers and acquisitions.

The Bank's Audit Committee, which currently consists of Gordon McKay (Chairman), Bruce Anticouni, Darren Caesar, Lawrence Koppelman, and Guy Taylor, with J. Michael Giles as an alternate member, monitors Bank management, financial statements, internal and external audit reports, and staff compliance with Board policies, laws and regulations and held six (6) regular meetings in 2008. This committee establishes policy and provides overall supervision and control to ensure the integrity of financial information and establish an effective accounting and internal control system. This committee evaluates procedures and controls of the Bank's operations, oversees audit matters along with the independent accountants, and investigates the affairs of the Bank as may be deemed necessary.

The Bank's Loan Committee, which currently consists of David Duarte (Chairman), Frank Burgess, Jeff DeVine, Lawrence Koppelman, Gordon McKay, Joe Campanelli and Guy Taylor, with J. Michael Giles and Palmer Jackson as alternate members, ensures that the established loan policies are current, relevant and properly followed and held thirty four (34) regular meetings in 2008. This committee also reviews and approves all loans in excess of officer lending limits and which may require special attention.

The Bank's Asset/Liability Management Committee, which currently consists of J. Michael Giles (Chairman), Frank Burgess, Jeff DeVine, David Duarte, Palmer Jackson and Guy Taylor ensures that the Bank has adequate asset and liability practices and procedures are implemented by management to enable the Bank to achieve its goals while adhering to prudent banking practices and held four (4) regular meetings in 2008. This committee confirms, reviews and approves the Asset/Liability and Investment Reports on a quarterly basis. This committee establishes policy and provides overall supervision and control in the area of investments and confirms, reviews and approves all investments on a quarterly basis.

The Bank's Personnel/Compensation Committee, which currently consists of Bruce Anticouni (Chairman), J. Michael Giles, Palmer Jackson, Guy Taylor and Douglas Margerum establishes, reviews and monitors the personnel policies of the Bank and held two (2) meeting in 2008. This committee establishes overall compensation and benefit levels for staff members throughout the grade structure commensurate with their duties and responsibilities. This committee reviews the performance evaluation of officers and reviews salary and compensation changes.

Each of the directors attended at least 75% of their combined Board and Committee meetings in 2008. During 2008, Jeffrey Giller, resigned from the Board due to other responsibilities and previous commitments. Upon Mr. Giller's departure from the Board in 2008, Darren Caesar assumed the role of Chairman of the Executive Committee.

Executive Officers

The following table sets forth as to each of the persons who currently serves as an Executive Officer of the Company and the Bank, such person's age, such person's principal occupation during the past five (5) years, such person's current position with the Bank, and the period during which the person has served in such position.

Name	Age As of 3/23/09	Position with Bank	Principal Occupation For Past Five (5) Years	Year Appointed to Bank
Jeff DeVine ⁹	40	President and Chief Executive Officer	Banker	2008
David Duarte ¹⁰	59	Executive Vice President, and Chief Operating Officer and Chief Credit Officer	Banker	2006
Michelle Martinich ¹¹	34	SVP and Chief Financial Officer	Banker	2006
Laurie Leighty ¹²	53	SVP, Head of Operations and Human Resources	Banker	2006

Director Compensation

The Directors shall not receive directors' fees and it is not anticipated that the Directors will receive any directors' fees until the Bank achieves profitability.

⁹ Mr. DeVine was appointed President and Chief Executive Officer of the Bank on August 21, 2008. Mr. DeVine previously was employed as Statewide Division Manager of commercial real estate by Rabobank, N.A. Prior to that, he was Regional President for the Greater Santa Barbara and Santa Ynez Valley Region of Mid-State Bank. He has held senior officer positions in a range of banking firms, serving roles in commercial, real estate, private and investment banking during his 20 year career. He graduated with honors from the Pacific Coast Banking School at the University of Washington and received his Bachelors of Science from the University of California, San Diego in Quantitative Economics.

¹⁰ Mr. Duarte was appointed Executive Vice President, Chief Operating Officer and Chief Credit Officer of the Bank on April 20, 2006. Mr. Duarte previously was employed as President and Chief Operating Officer of Hacienda Bank in Santa Maria, California. He led Hacienda Bank prior to it being purchased by Heritage Oaks Bank (HOB) in Paso Robles, through the merger process and later as a division of HOB. After graduating from UCLA he began his career with Home Bank in Long Beach CA. as an operations officer trainee. He spent 23 years with the same bank while progressing through branch management and into corporate administration. At the time Home Bank was acquired Mr. Duarte held the position of Chief Credit Officer. He is a graduate of the Pacific Coast Banking School at the University of Washington.

¹¹ Mrs. Martinich was appointed Senior Vice President and Chief Financial Officer of the Bank on April 20, 2006. Mrs. Martinich previously was employed by Pacific Capital Bancorp (PCB), dba Santa Barbara Bank & Trust. Mrs. Martinich's financial and banking experience spans over 12 years, first as an external auditor with Arthur Andersen and then with responsibility for various functions in the Finance Department of PCB, reporting directly to the CFO. She graduated from UC Santa Barbara with a Bachelors of Arts in Business Economics.

¹² Ms. Leighty was appointed Senior Vice President, Head of Operations and Human Resources of the Bank on April 20, 2006. Ms. Leighty previously was the Senior Vice President and Branch Administrator at Montecito Bank and Trust where she oversaw all branch operations for the \$550 million bank. She also served as the bank's Human Resources Director prior to this position. She graduated from UC Santa Barbara with a Bachelors of Arts.

Executive Compensation

The following summary compensation table sets forth, for the last three (3) fiscal years, the cash and certain other compensation paid by the Bank to the Bank's Executive Officers whose total annual salary and bonus for the fiscal year ended December 31, 2008 exceeded \$100,000.

(A) Name and Principal Position	(B) Fiscal Year	Annual Compensation		(E) ¹⁴ Other Annual Compensation	Long-Term Compensation		All Other Compensation ¹³
		(C) Salary (\$)	(D) Bonus (\$)		Awards	Stock Options (#)	
Jeff DeVine, President & CEO	2008	\$ 79,256	\$0	\$ 4,350	70,000		\$0
David Duarte EVP, CCO & COO	2008	\$190,000	\$0	\$19,272	0		\$0
	2007	\$190,000	\$0	\$17,383	0		\$0
	2006	\$ 86,500	\$85,800	\$ 6,900	78,592		\$117,500
Michelle Martinich SVP, CFO	2008	\$124,000	\$0	\$11,733	0		\$0
	2007	\$ 89,419	\$0	\$ 8,725	0		\$0
	2006	\$ 52,300	\$29,000	\$ 3,900	31,178		\$ 58,600
Laurie Leighty SVP, Operations & HR	2008	\$156,000	\$0	\$13,440	0		\$0
	2007	\$156,000	\$0	\$11,360	0		\$0
	2006	\$ 65,100	\$29,600	\$ 4,200	31,178		\$ 65,900
Michael Salsbury, Former President & CEO	2008	\$ 9,221	\$0	\$ 1,000	0		\$232,375
	2007	\$214,500	\$0	\$12,000	0		\$0
	2006	\$ 97,600	\$98,500	\$ 7,100	109,770		\$149,800

The Bank has entered into an employment agreement to pay Mr. Jeff DeVine an annual base salary of \$220,000, guaranteed bonus of \$60,000 (payable in 3 installments in 2009), discretionary bonus thereafter, an automobile allowance of \$1,000 per month and group insurance coverage. We also have granted to Mr. DeVine an incentive stock option to purchase 70,000 shares of our common stock at an exercise price equal to the then current market value on the day of the grant, and such options vest in equal amounts of 20 percent per year for the first five years after the grant date. If Mr. DeVine is terminated without cause as defined in the agreement, Mr. DeVine would receive a severance payment in the amount of twelve (12) months of his annual base salary. Following a change in control, if Mr. DeVine's employment is terminated by us or our successor, without cause, or if Mr. DeVine's employment is materially adversely altered, then Mr. DeVine will be entitled to receive from us or our successor severance in an amount equal to 2.99 times his then annual salary in effect, plus, in the unlikely event that any of the severance payments as a result of a change of control become subject to an excise tax, any excise tax that Mr. DeVine will be required to pay.

¹³ Total in 2006 represents consulting fees paid in connection with services provided prior to the opening of the Bank. Total in 2008 represents severance payments made in accordance with the employment contract.

¹⁴ Represents the dollar value of other annual compensation not properly categorized as salary or bonus; including (i) perquisites and other personal benefits, securities or property unless the aggregate amount of such compensation is the lesser of either \$50,000 or 10% of the total annual salary and bonus reported for the named executive officer in columns (C) and (D); (ii) above-market or preferential earnings on restricted stock, options, stock appreciation rights ("SARs") or deferred compensation paid during the fiscal year or payable during that period but deferred at the election of the named executive officer; (iii) earnings on long-term incentive plan ("LTIP") compensation paid during the fiscal year or payable during that period but deferred at the election of the named executive officer; (iv) amounts reimbursed during the fiscal year for the payment of taxes; and (v) the dollar value of the difference between the price paid by a named executive officer for any security of the Bank purchased from the Bank (through deferral of salary or bonus, or otherwise), and the fair market value of such security at the date of purchase, unless that discount is available generally, either to all security holders or to all salaried employees of the registrant. Actual amounts represent car allowances and 401(k) employer match contributions.

The Bank has entered into an employment agreement to pay Mr. David Duarte an annual base salary of \$190,000, discretionary bonus, an automobile allowance of \$1,000 per month and group insurance coverage. We also have granted to Mr. Duarte a combination of incentive stock options and non-qualified stock options to purchase 68,592 shares of our common stock at an exercise price equal to the then current market value on the day of the grant, and such options vest in equal amounts equal to 33 1/3 percent per year for the first three years after the grant date. As a member of the organizing group, Mr. Duarte was granted an additional 10,000 non-qualified stock options which vested immediately. If Mr. Duarte is terminated without cause as defined in the agreement, Mr. Duarte would receive a severance payment in the amount of twelve (12) months of his annual base salary. Following a change in control, if Mr. Duarte's employment is terminated by us or our successor, without cause, or if Mr. Duarte's employment is materially adversely altered, then Mr. Duarte will be entitled to receive from us or our successor severance in an amount equal to 2.99 times his then annual salary in effect, plus, in the unlikely event that any of the severance payments as a result of a change of control become subject to an excise tax, any excise tax that Mr. Duarte will be required to pay.

The Bank has entered into an employment agreement to pay Ms. Michelle Martinich an annual base salary of \$124,000, discretionary bonus, an automobile allowance of \$600 per month and group insurance coverage. We also have granted to Ms. Martinich a combination of incentive stock options and non-qualified stock options to purchase 31,178 shares of our common stock at an exercise price equal to the then current market value on the day of the grant, and such options vest in equal amounts equal to 33 1/3 percent per year for the first three years after the grant date. If Ms. Martinich is terminated without cause as defined in the agreement, Ms. Martinich would receive a severance payment in the amount of twelve (12) months of her annual base salary. Following a change in control, if Ms. Martinich's employment is terminated by us or our successor, without cause, or if Ms. Martinich's employment is materially adversely altered, then Ms. Martinich will be entitled to receive from us or our successor severance in an amount equal to 2.99 times her then annual salary in effect, plus, in the unlikely event that any of the severance payments as a result of a change of control become subject to an excise tax, any excise tax that Ms. Martinich will be required to pay.

The Bank has entered into an employment agreement to pay Ms. Laurie Leighty an annual base salary of \$156,000, discretionary bonus, an automobile allowance of \$600 per month and group insurance coverage. We also have granted to Ms. Leighty a combination of incentive stock options and non-qualified stock options to purchase 31,178 shares of our common stock at an exercise price equal to the then current market value on the day of the grant, and such options vest in equal amounts equal to 33 1/3 percent per year for the first three years after the grant date. If Ms. Leighty is terminated without cause as defined in the agreement, Ms. Leighty would receive a severance payment in the amount of twelve (12) months of her annual base salary. Following a change in control, if Ms. Leighty's employment is terminated by us or our successor, without cause, or if Ms. Leighty's employment is materially adversely altered, then Ms. Leighty will be entitled to receive from us or our successor severance in an amount equal to 2.99 times her then annual salary in effect, plus, in the unlikely event that any of the severance payments as a result of a change of control become subject to an excise tax, any excise tax that Ms. Leighty will be required to pay.

2006 Stock Incentive Plan

The American Riviera Bank 2006 Stock Incentive Plan (the "2006 Plan") provides for the grant of options to purchase up to a number of shares of the Bank's Common Stock equal to 748,276 or 30% of the total number of the Bank's shares that are outstanding. Please see Proposal 2 concerning the proposed adoption of an Omnibus Stock Incentive Plan (the "2009 Plan") to become effective October 1, 2009 that is designed to replace the 2006 Plan.

Pursuant to the 2006 Plan, shares are subject to written option agreements entitling the optionee to purchase shares pursuant to incentive stock options or non-qualified options. Options will be granted at 100% of fair market value at the time of grant as determined by the Board of Directors. Options will be exercisable over a term up to 10 years pursuant to the discretion of the Board of Directors. In the case of persons employed by the Bank, the options may qualify as “incentive stock options” under Internal Revenue Code §422, such options entitle the holder to certain income tax benefits.

Pursuant to the terms of their employment, the Bank granted to its Executive Officers under the 2006 Plan incentive stock options to purchase shares of Common Stock. The Bank has granted to Mr. DeVine an incentive stock option to purchase Common Stock in an amount equal to 70,000 shares, at an exercise price of \$7.00 per share, the fair market value of the shares of Common Stock at the time of the grant of such stock options. The Bank has granted to Mr. Duarte a combination of incentive stock options and non-qualified stock options to purchase Common Stock in an amount equal to 78,592 shares. The Bank has granted to Ms. Martinich and Ms. Leighty a combination of incentive stock options and non-qualified stock options to purchase Common Stock in an amount equal to 31,178 shares each. The exercise price of the stock options granted to Mr. Duarte, Ms. Martinich and Ms. Leighty are \$10.00 per share, the fair market value of the shares of Common Stock at the time of the grant of such stock options. The Board of Directors also granted non-qualified options to each non-management member of the Board of Directors between 7,000 and 20,000 shares, at an exercise price of \$10.00 per share, the fair market value of the shares of Common Stock at the time of the grant of such stock options.

The following tables provide certain information as of December 31, 2008 regarding options granted to and exercised by: (i) each Executive Officer; and (ii) all directors, officers and employees as a group:

OPTION GRANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2008
INDIVIDUAL GRANTS

<u>Name</u>	<u>Number of Securities Underlying Options Granted</u>	<u>Percent of Total Options Granted at December 31, 2008</u>	<u>Exercise of Base Price (\$/Share)</u>	<u>Expiration Dates</u>
Jeff DeVine	70,000 ¹⁵	100%	\$7.00	2018
David Duarte	0	0%	N/A	N/A
Michelle Martinich	0	0%	N/A	N/A
Laurie Leighty	0	0%	N/A	N/A
All Directors, Officers and Employees	70,000	100%	\$7.00	2018

¹⁵ Options granted in 2008 to officers and employees vest twenty percent (20%) per year over a five-year period. The options were granted for a term of ten years.

**AGGREGATED OPTIONS EXERCISED BY DECEMBER 31, 2008
AND OPTION/SAR VALUES**

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Unexercised Options/SARs at 12/31/08(#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options/SARs at 12/31/08 (#)/ Exercisable/Unexercisable
Jeff DeVine	-0-	-0-	0/70,000	\$0/\$0
David Duarte	-0-	-0-	55,728/22,864	\$0/\$0
Michelle Martinich	-0-	-0-	20,785/10,393	\$0/\$00
Laurie Leighty	-0-	-0-	20,785/10,393	\$0/\$00
All Directors, Officers and Employees	12,500	\$125,000	245,132/120,316	\$0/\$0

As of December 31, 2008, there were options outstanding to purchase a total of 473,448 shares of the Bank's common stock.

From time to time, the Bank expects to grant stock options to other key salaried employees, officers, directors, and consultants, at the fair market value of the Common Stock on the date of grant. During 2008, the Bank granted a total of 70,000 options to Mr. DeVine upon his hiring and appointment as President & Chief Executive Officer. Additional grantees have not as of this date, been selected and it is impossible at this time to identify such grantees or the number of options to be granted to them.

Other Benefits

The Bank provides monthly car allowances to certain officers of the Bank in the range of \$350 to \$1,000 per month. In 2006, the Bank adopted the American Riviera Bank 401(k) Profit Sharing Plan and Trust (the "401(k) Plan"). All employees 21 years of age or older are immediately eligible to participate in the 401(k) Plan. Eligible employees may elect to make tax deferred contributions up to the maximum amount allowed by law. The Bank may make additional contributions to the 401(k) Plan at the discretion of the Board of Directors. Bank contributions vest at a rate of 25% annually for all employees. The Bank contributed a total of \$36,055 in the form of employer matching contributions to the 401(k) Plan during 2008.

Certain Transactions

Other Transactions. It is anticipated that the executive officers and directors of the Bank, and the companies with which they are associated, will have banking transactions with the Bank in the ordinary course of business. It is the firm intention of the Board of Directors that any loans and commitments to loan included in such transactions will be made in accordance with applicable laws and on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with persons of similar creditworthiness that are not affiliated with the Bank, and only if such loans do not present any undue risk of collectibility or present other unfavorable features. The aggregate limit that the Bank may lend to its insiders as a class is not greater than the Bank's unimpaired capital and unimpaired surplus. Banks with less than \$100 million in deposits may establish a higher limit of 200% of the Bank's unimpaired capital and unimpaired surplus and only if the Bank's Board of Directors determines that the exception

would be important to avoid constricting the availability of credit in small communities or to attract directors to the Bank. As of December 31, 2008, the Bank had extensions of credit to the banks Executive Officers and Directors, together with their associates in the aggregate, totaling approximately \$12.2 million, or 62.7%, of the Bank's equity capital.

Joe Campanelli, a member of the Board of Directors, is the President of Campanelli Construction who served as the general contractor for the bank site build out. The Bank also has an agreement with Campanelli Construction for routine building maintenance. The services provided to the Bank were based on the prevailing terms and conditions as for any other entity. During 2008, the Bank paid \$1,618 to Campanelli Construction.

Darren Caesar, a member of the Board of Directors, is affiliated with HUB International, the insurance brokerage company which supplies the Bank's insurance coverage. The services provided to the Bank were based on the prevailing terms and conditions as for any other entity. During 2008, the Bank paid \$4,651 to HUB International for these services.

Indemnification. The Bank's Articles of Incorporation provide that a director of the Bank will not incur any personal liability to the Bank or its shareholders for monetary damages for certain breaches of fiduciary duty as a director. A director's liability, however is not eliminated with respect to (i) any breach of the duty of loyalty, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) paying a dividend or approving a stock repurchase which is illegal under certain provisions of state law, or, (iv) any transaction from which the director derived an improper personal benefit. The Bank's Articles of Incorporation and Bylaws also provide, among other things, for the indemnification of the Bank's directors, officers and agents, and authorize the Board of Directors to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, such agents in connection with any personal legal liability incurred by the individual while acting for the Bank within the scope of his or her employment (subject to certain limitations). It is the policy of the Board of Directors that the Bank's directors, officers and agents shall be indemnified to the maximum extent permitted under applicable law and the Bank's Articles of Incorporation and Bylaws, and management anticipates obtaining director and officer liability insurance, when and if available, covering all of the Bank's officers and directors.

The Board of Directors recommends a vote "FOR" the Election of Directors

PROPOSAL 2: APPROVAL OF 2009 OMNIBUS STOCK INCENTIVE PLAN

Introduction

The Board of Directors adopted the American Riviera Bank 2009 Omnibus Stock Incentive Plan (the "2009 Plan") on March 19, 2009, subject to approval by the stockholders of the Bank and any necessary review and amendment required by any regulatory agency to be effective on October 1, 2009. The 2009 Plan is intended to replace the American Riviera Bank 2006 Stock Incentive Plan (the "2006 Plan"), as amended. If the 2009 Plan is approved by stockholders, no further grants will be made under the 2006 Plan, and existing option holders would become subject to the 2009 Plan.

The 2009 Plan is substantially different from the 2006 Plan, as it adds stock appreciation right awards, restricted stock awards, deferred stock awards, performance shares and performance units and also adds additional performance objectives upon which awards may be conditioned. The 2009 Plan has 735,776 shares of the Bank's common stock available to be issued, which is equal to approximately 30% of the issued and outstanding shares of the Bank's common stock, which is 12,500 shares less than the 2006 Plan due to exercise of options issued under the 2006 Plan. The Board of Directors of the Bank contemplates that all outstanding stock option agreements under the 2006 Plan will become subject to the 2009 Plan. Outstanding stock option agreements under the 2006 Plan total 473,448 shares, leaving only 262,328 available shares for the 2009 Plan.

The Board of Directors believes that the 2009 Plan will advance the long-term success of the Bank by encouraging stock ownership among key employees and members of the Board who are not employees ("Nonemployee Directors"). The 2009 Plan is also intended to allow for certain forms of compensation that will be tax deductible by the Bank without regard to the limitations of Section 162(m) of the Internal Revenue Code (the "Code").

Administration of the 2009 Plan

The 2009 Plan will be administered by the Board of Directors. Awards made to the Bank's Chairman, President and CEO will be approved by the independent members of the Board Compensation Committee. The 2009 Plan provides the Board flexibility to design compensatory awards that are responsive to the Bank's needs. Subject to the terms of the 2009 Plan, the Board has the discretion to determine the terms of each award. The Board may delegate to one or more officers of the Bank the authority to grant awards to participants who are not directors or executive officers of the Bank. The Board must fix the total number of shares that may be subject to grants made under this delegation.

Types of Awards that May Be Granted

Awards under the 2009 Plan may be in the form of stock options, stock appreciation rights, restricted stock, deferred shares, performance shares or performance units.

Eligibility to Receive Awards

Employees of the Bank and its subsidiaries, Nonemployee Directors and consultants may be selected by the Board to receive awards under the 2009 Plan. The benefits or amounts that may be received by or allocated to participants under the 2009 Plan will be determined at the discretion of the Board and are not presently determinable.

Shares Available for Issuance Under the 2009 Plan

The maximum number of shares as to which stock awards may be granted under the 2009 Plan is 735,776 shares, of which 473,448 shares are already reserved to cover the 2006 Plan. This reserved share amount is subject to adjustments by the Board as provided in the 2009 Plan for stock splits, stock dividends, recapitalizations and other similar transactions or events. Shares of common stock issued under the 2009 Plan may be shares of original issuance, shares held in Treasury or shares that have been reacquired by the Bank.

Limits on Grants to Individual Participants or Other Grant Limits

No participant may receive awards during any one calendar year representing more than 100,000 shares of common stock or more than 100,000 performance units. In no event will the number of shares of common stock issued under the 2009 Plan upon the exercise of incentive stock options exceed 400,000 shares. These limits are subject to adjustments by the Board as provided in the 2009 Plan for stock splits, stock dividends, recapitalizations and other similar transactions or events.

Terms under which Options may be Awarded

Stock options entitle the optionee to purchase shares of common stock at a price equal to or greater than the fair market value on the date of grant. Options may be either incentive stock options or nonqualified stock options, provided that only employees may be granted incentive stock options. The option may specify that the option price is payable (i) in cash, (ii) by the transfer to the Bank of unrestricted stock, (iii) with any other legal consideration the Board may deem appropriate or (iv) any combination of the foregoing. No stock option may be exercised more than 10 years from the date of grant. Each grant may specify a period of continuous employment or service with the Bank or any subsidiary that is necessary before the stock option or any portion thereof will become exercisable and may provide for the earlier exercise of the option in the event of a change in control of the Bank or similar event.

Terms under which Stock Appreciation Rights may be Granted

Stock appreciation rights represent the right to receive an amount, determined by the Board and expressed as a percentage not exceeding 100%, of the difference between the "base price" established for such rights and the fair market value of the Bank's common stock on the date the rights are exercised. The base price must not be less than the fair market value of the common stock on the date the right is granted. The grant may specify that the amount payable upon exercise of the stock appreciation right may be paid by the Bank (i) in cash, (ii) in shares of the Bank's common stock or (iii) any combination of the foregoing. Any grant may specify a waiting period or periods before the stock appreciation rights may become exercisable and permissible dates or periods on or during which the stock appreciation rights shall be exercisable, and may specify that the stock appreciation rights may be exercised only in the event of a change of control of the Bank or similar event. The Board may grant "tandem" stock appreciation awards in connection with an option or "free-standing" stock appreciation awards unrelated to an option. No stock appreciation right may be exercised more than ten years from the grant date and each grant of a free-standing stock appreciation right must specify the period of continuous employment or service that is necessary before the free-standing stock appreciation right or installments thereof may be exercisable.

Terms under which Restricted Stock may be Awarded

An award of restricted stock involves the immediate transfer by the Bank to a participant of ownership of a specific number of shares of common stock in return for the performance of services. The participant is entitled immediately to voting, dividend and other ownership rights in such shares, subject to the discretion of the Board. The transfer may be made without additional consideration from the participant. The Board may specify performance objectives that must be achieved for the restrictions to lapse. Restricted stock must be subject to a "substantial risk of forfeiture" within the meaning of Internal Revenue Code Section 83 for a period to be determined by the Board on the grant date and any grant or sale may provide for the earlier termination of such risk of forfeiture in the event of a change of control of the Bank or similar event.

Terms under which Deferred Shares may be Granted

An award of deferred shares granted under the 2009 Plan represents the right to receive a specific number of shares at the end of a specified deferral period. Any grant of deferred shares may be further conditioned upon the attainment of performance objectives. The grant may provide for the early termination of the deferral period in the event of a change in control of the Bank or similar event. During the deferral period, the participant is not entitled to vote or receive dividends on the shares subject to the award, but the Board may provide for the payment of dividend equivalents on a current or deferred basis. The grant of deferred shares may be made without any consideration from the participant other than the performance of future services.

Terms under which Performance Shares and Units may be Granted

A performance share is the equivalent of one share of common stock, and a performance unit is the equivalent of \$1.00. Each grant will specify one or more performance objectives to be met within a specified period (the "performance period"), which may be subject to earlier termination in the event of a change in control of the Bank or a similar event. If by the end of the performance period the participant has achieved the specified performance objectives, the participant will be deemed to have fully earned the performance shares or performance units. If the participant has not achieved the level of acceptable achievement, the participant may be deemed to have partly earned the performance shares or performance units in accordance with a predetermined formula. To the extent earned, the performance shares or performance units will be paid to the participant at the time and in the manner determined by the Board in cash, shares of the Bank's common stock or any combination thereof.

Impact the 2009 Plan will have on the Bank's Dilution or Overhang from Equity Compensation Plans

Overhang is an analysis of potential dilution to stockholders from the equity being transferred to employees via equity incentive plans. Overhang is calculated by dividing (a) the number of shares of common stock issued and outstanding awards under the Bank's equity compensation plans plus the number of shares of common stock available for future grant under the Bank's equity compensation plans by (b) the number of shares described in clause (a) plus the total number of shares of common stock outstanding. The 2009 Plan does not increase the amount of overhang, as the number of shares subject to the 2009 Plan, plus the 12,500 shares exercised to date under the 2006 Plan, is equal to the amount of shares originally subject to the 2006 Plan.

Performance Objectives

The 2009 Plan provides that grants of performance shares, performance units or, when determined by the Board, options, deferred shares, restricted stock or other stock-based awards may be made based upon "performance objectives." Performance objectives applicable to awards

that are intended to be exempt from the limitations of Internal Revenue Code Section 162(m) are limited to specified levels of or increases in the Bank's or subsidiary's return on equity, diluted earnings per share, total earnings, earnings growth, return on capital, return on assets, earnings before interest and taxes, sales, sales growth, gross margin return on investment, increase in the fair market value of the Bank's common stock, share price (including but not limited to, growth measures and total stockholder return), operating profit, net earnings, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on investment (which equals net cash flow divided by total capital), financial return ratios, total return to stockholders, market share, earnings measures/ratios, economic value added (EVA), balance sheet measurements such as internal rate of return, increase in net present value or expense targets, "Employer of Choice" or similar survey results, customer satisfaction surveys and productivity. Performance criteria may be measured on an absolute or relative basis. Relative performance may be measured by a group of peer companies or by a financial market index. Except in the case of an award intended to be exempt from the limitations of Internal Revenue Code Section 162(m), if the Board determines that a change in the business, operations, corporate structure or capital structure of the Bank, or the manner in which it conducts its business, or other events or circumstances render the performance objectives unsuitable, the Board may modify the performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Board deems appropriate and equitable.

Transferability of Awards Made Under the 2009 Plan

Except as provided below, no award under the 2009 Plan may be transferred by a participant other than by will or the laws of descent and distribution, and stock options and stock appreciation rights may be exercised during the participant's lifetime only by the participant or, in the event of the participant's legal incapacity, the guardian or legal representative acting on behalf of the participant. The Board may expressly provide in an award agreement (other than an incentive stock option) that the participant may transfer the award to a spouse or lineal descendant, a trust for the exclusive benefit of such family members, a partnership or other entity in which all the beneficial owners are such family members, or any other entity affiliated with the participant that the Board may approve.

Termination of the 2009 Plan

The 2009 Plan will terminate on the tenth anniversary of the date it is approved by stockholders, and no award will be granted under the 2009 Plan after that date.

Amendments to the 2009 Plan

The 2009 Plan may be amended by the Board of Directors, but without further approval by the stockholders of the Bank no such amendment may increase the limitations set forth in the 2009 Plan on the number of shares that may be issued under the 2009 Plan or any of the limitations on awards to individual participants. The Board may condition any amendment on the approval of the stockholders if such approval is necessary or deemed advisable with respect to the applicable listing or other requirements of a national securities exchange or other applicable laws, policies or regulations.

Tax Consequences of the 2009 Plan

The following is a brief summary of certain of the federal income tax consequences of certain transactions under the 2009 Plan. This summary is not intended to be exhaustive and does not describe state or local tax consequences.

In general, an optionee will not recognize income at the time a nonqualified stock option is granted. At the time of exercise, the optionee will recognize ordinary income in an amount equal to the difference between the option price paid for the shares and the fair market value of the shares

on the date of exercise. At the time of sale of shares acquired pursuant to the exercise of a nonqualified stock option, any appreciation (or depreciation) in the value of the shares after the date of exercise generally will be treated as capital gain (or loss). An optionee generally will not recognize income upon the grant or exercise of an incentive stock option. If shares issued to an optionee upon the exercise of an incentive stock option are not disposed of in a disqualifying disposition within two years after the date of grant or within one year after the transfer of the shares to the optionee, then upon the sale of the shares any amount realized in excess of the option price generally will be taxed to the optionee as long-term capital gain and any loss sustained will be a long-term capital loss. If shares acquired upon the exercise of an incentive stock option are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to any excess of the fair market value of the shares at the time of exercise (or, if less, the amount realized on the disposition of the shares) over the option price paid for the shares. Any further gain (or loss) realized by the optionee generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

Subject to certain exceptions for death or disability, if an optionee exercises an incentive stock option more than three months after termination of employment, the exercise of the option will be taxed as the exercise of a nonqualified stock option. In addition, if an optionee is subject to federal "alternative minimum tax," the exercise of an incentive stock option will be treated essentially the same as a nonqualified stock option for purposes of the alternative minimum tax.

A recipient of restricted stock generally will be subject to tax at ordinary income rates on the fair market value of the restricted stock (reduced by any amount paid by the recipient) at such time as the shares are no longer subject to a risk of forfeiture or restrictions on transfer for purposes of Internal Revenue Code Section 83. However, a recipient who so elects under Internal Revenue Code Section 83(b) within 30 days of the date of transfer of the restricted stock will recognize ordinary income on the date of transfer of the shares equal to the excess of the fair market value of the restricted stock (determined without regard to the risk of forfeiture or restrictions on transfer) over any purchase price paid for the shares. If a Internal Revenue Code Section 83(b) election has not been made, any dividends received with respect to restricted stock that are subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient.

A recipient of deferred shares generally will not recognize income until shares are transferred to the recipient at the end of the deferral period and are no longer subject to a substantial risk of forfeiture or restrictions on transfer for purposes of Internal Revenue Code Section 83. At that time, the participant will recognize ordinary income equal to the fair market value of the shares, reduced by any amount paid by the recipient.

A participant generally will not recognize income upon the grant of performance shares or performance units. Upon payment, with respect to performance shares or performance units, the participant generally will recognize as ordinary income an amount equal to the amount of cash received and the fair market value of any unrestricted stock received.

To the extent that a participant recognizes ordinary income in the circumstances described above, the Bank or subsidiary for which the participant performs services will be entitled to a corresponding deduction, provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an "excess parachute payment" within the meaning of Internal Revenue Code Section 280G and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Internal Revenue Code Section 162(m).

Awards of stock appreciation rights, deferred shares, performance shares and performance units under the 2009 Plan may, in some cases, result in the deferral of compensation that is subject to the requirements of Internal Revenue Code Section 409A. To date, the U.S. Treasury Department and Internal Revenue Service have issued only preliminary guidance regarding the impact of Internal Revenue Code Section 409A on the taxation of these types of awards. Generally, to the extent that deferrals of these awards fail to meet certain requirements under Internal Revenue Code Section 409A, such awards will be subject to immediate taxation and tax penalties in the year they vest unless the requirements of Internal Revenue Code Section 409A are satisfied. It is the intent of the Bank that awards under the 2009 Plan will be structured and administered in a manner that complies with the requirements of Internal Revenue Code Section 409A.

Copy of the 2009 Plan

This summary is not a complete description of all provisions of the 2009 Plan. A copy of the 2009 Plan may be reviewed by contacting Ms. Michelle Martinich, Senior Vice President and Chief Financial Officer at (805) 730-4992.

Approval of this Proposal

If this proposal is not approved, the Bank will continue to make grants under the 2006 Plan in accordance with the terms of that plan until its expiration in 2016.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE 2009 OMNIBUS STOCK INCENTIVE PLAN.

PROPOSAL 3: BYLAW AMENDMENT: REDUCTION IN NUMBER OF DIRECTORS

Section 3.2 of the Bank's Bylaws currently reads:

NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors of the Corporation shall not be less than eleven (11) nor more than twenty-one (21), until changed by a bylaw amending this Section 3.2 duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. Under no circumstances shall the Articles or Bylaws be amended to reduce the authorized number of directors below five (5).

The Board of Directors is recommending that this section of the Bylaws be updated to reduce the authorized number of directors and to read:

NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors of the Corporation shall not be less than eight (8) nor more than fifteen (15), until changed by a bylaw amending this Section 3.2 duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. Under no circumstances shall the Articles or Bylaws be amended to reduce the authorized number of directors below five (5).

The Board is recommending this change in the range of authorized Directors to more closely match the actual number of Directors and reduce the maximum to a more efficient number.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE BYLAW AMENDMENT
TO REDUCE THE NUMBER OF DIRECTORS.**

ACCOUNTANTS

The Bank has selected Perry-Smith, LLP as the Bank's independent certified public accountants for the year 2009. It is anticipated that a representative of Perry-Smith, LLP will be present at the meeting to respond to appropriate questions from shareholders.

PROPOSALS BY SHAREHOLDERS AT 2010 ANNUAL MEETING

In order to be eligible for inclusion in the Bank's proxy statement and proxy card for the next Annual Meeting of Shareholders, shareholder proposals must be received by the Secretary of the Bank at its principal executive offices no later than December 31, 2009. However, in order for such shareholder proposals to be eligible to be brought before the shareholders at the next annual meeting, the shareholder submitting such proposals must also comply with the procedures, including the deadlines, required by Article II of the Bank's Bylaws. Shareholder nominations of Directors are not shareholder proposals and are not eligible for inclusion in the Bank's proxy statement.

OTHER BUSINESS

Management does not know of any matters to be presented to the Meeting other than those set forth above. However, if other matters properly come before the Meeting, it is the intention of the persons named in the accompanying proxy to vote said proxy in accordance with the recommendation of management and authority to do so is included in the proxy.

THE ENCLOSED PROXY SHOULD BE COMPLETED, DATED, SIGNED AND RETURNED IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOUR PROMPT MAILING OF THE SIGNED PROXY WILL BE APPRECIATED.

AMERICAN RIVIERA BANK

Jeff DeVine
President & Chief Executive Officer

March 23, 2009