

PACIFIC PREMIER BANCORP INC
Form DEF 14A
May 05, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Pacific Premier Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
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PACIFIC PREMIER BANCORP, INC.
1600 Sunflower Avenue
Costa Mesa, California 92626
714-431-4000

May 5, 2006

Fellow Stockholders:

On behalf of the Board of Directors and management of Pacific Premier Bancorp, Inc. (the Company), you are cordially invited to attend the Annual Meeting of Stockholders of the Company (Annual Meeting). The Annual Meeting will be held on Wednesday, May 31, 2006, at 9:00 a.m., Pacific Time, at the corporate headquarters of Pacific Premier Bank located at 1600 Sunflower Avenue, Costa Mesa, California.

An important aspect of the Annual Meeting is the stockholder vote on corporate business items. The attached Notice of the Annual Meeting and Proxy Statement describe the formal business to be transacted at the Annual Meeting. Directors and officers of the Company will be present at the Annual Meeting to respond to any questions that you may have regarding the business to be transacted.

The Board of Directors of the Company has determined that the matters to be considered at the Annual Meeting are in the best interest of the Company and its stockholders. **For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends that you vote FOR the director nominees specified under Proposal 1 and FOR the appointment of Vavrinek, Trine, Day & Co., LLP as the independent auditors of the Company for the fiscal year ended December 31, 2006 specified under Proposal 2.**

We encourage you to attend the Annual Meeting in person if it is convenient for you to do so. If you are unable to attend, it is important that you promptly sign, date and return the enclosed proxy card in the enclosed postage-paid envelope, or vote via telephone or the Internet. Your cooperation is appreciated since a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the transaction of business.

On behalf of the Board of Directors and all of the employees of Pacific Premier Bancorp, Inc., we thank you for your continued support.

Best Regards,
/s/ Steven R. Gardner
Steven R. Gardner
President and Chief Executive Officer

PACIFIC PREMIER BANCORP, INC.
1600 Sunflower Avenue
Costa Mesa, California 92626
714-431-4000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on May 31, 2006

NOTICE IS HEREBY GIVEN that the 2006 Annual Meeting of Stockholders (the Annual Meeting) of Pacific Premier Bancorp, Inc. (the Company) will be held on Wednesday, May 31, 2006, at 9:00 a.m., Pacific Time, at the corporate headquarters of Pacific Premier Bank located at 1600 Sunflower Avenue, Costa Mesa, California.

The purpose of the Annual Meeting is to consider and vote upon the following matters:

1. The election of two directors for a term of three years or until their successors are elected and qualified;
2. The ratification of the appointment of Vavrinek, Trine, Day & Co., LLP as the Company's independent auditors for the fiscal year ended December 31, 2006; and
3. Such other matters as may properly come before the meeting and at any adjournments thereof, including whether or not to adjourn the meeting. Management is not aware of any other such business.

The Board of Directors has established March 31, 2006, as the record date for determining stockholders entitled to receive notice of and to vote at, the Annual Meeting or any postponement or adjournments thereof. Only record-holders of common stock of the Company at the close of business on such record date will be entitled to vote at the Annual Meeting or any postponement or adjournment thereof.

In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Company may adjourn the Annual Meeting in order to permit further solicitation of proxies. A list of stockholders entitled to vote at the Annual Meeting will be available at the administrative offices of the Company, 1600 Sunflower Avenue, Costa Mesa, California 92626, for a period of ten days prior to the Annual Meeting and will also be available at the Annual Meeting itself.

By Order of the Board of Directors
/s/ John Shindler
John Shindler
Corporate Secretary/EVP/CFO
Costa Mesa, California
May 5, 2006

You are cordially invited to attend the Annual Meeting. Whether or not you expect to attend the Annual Meeting in person, stockholders may vote in person or by submitting their proxy by either telephone, by calling toll-free 1-800-776-9437, via the Internet, or by completing the proxy card and mailing it in the accompanying postage-paid envelope. Instructions for voting by telephone and the Internet are printed on the enclosed proxy card. If you attend the Annual Meeting and intend to vote in person, please notify our personnel of your intent as you sign in for the Annual Meeting. Any proxy given may be revoked by you in writing or in person at any time prior to the exercise thereof.

PACIFIC PREMIER BANCORP, INC.

**PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
May 31, 2006**

Solicitation and Voting of Proxies

This Proxy Statement is being furnished to stockholders of Pacific Premier Bancorp, Inc. (the Company) in connection with the solicitation by the Board of Directors of the Company (Board of Directors or Board) of proxies to be used at the Annual Meeting of Stockholders (the Annual Meeting) and all postponements or adjournments of the Annual Meeting. The Annual Meeting will be held on May 31, 2006 at 9:00 a.m., Pacific Time, at the corporate headquarters of Pacific Premier Bank located at 1600 Sunflower Avenue, Costa Mesa, California. The 2005 Annual Report to Stockholders, including consolidated financial statements for the fiscal year ended December 31, 2005, accompanies this Proxy Statement, which is first being mailed to record-holders of the Company's common stock (the Common Stock) on or about May 5, 2006.

Regardless of the number of shares of Common Stock owned, it is important that record-holders of a majority of the shares be represented by proxy or present in person at the Annual Meeting. Stockholders are requested to vote by completing the enclosed proxy card and returning it, signed and dated, in the enclosed postage-paid envelope or by voting by telephone or the Internet per the instructions on the proxy card. Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein. Where no instructions are indicated, the proxy will be voted FOR the election of the nominees for director named in this proxy statement and FOR the ratification of the appointment of Vavrinek, Trine, Day & Co., LLP as independent auditors of the Company for the fiscal year ended December 31, 2006. The telephone and Internet voting facilities will close at 12 midnight, Pacific Time, on May 30, 2006.

Other than the matters set forth on the attached Notice of Annual Meeting of Stockholders, the Board of Directors knows of no additional matters that will be presented for consideration at the Annual Meeting. Execution of a proxy, however, confers on the designated proxy committee of the Board discretionary authority to vote the shares in accordance with their best judgment on such other business, if any, which may properly come before the Annual Meeting and at any adjournments thereof.

A proxy may be revoked at any time prior to its exercise by (i) filing a written notice of revocation with the Secretary of the Company (mailed to the attention of John Shindler, Corporate Secretary, Pacific Premier Bancorp, Inc., 1600 Sunflower Avenue, Costa Mesa, California 92626); (ii) filing a later dated proxy; or (iii) attending the Annual Meeting and voting in person. However, if you are a stockholder whose shares are not registered in your own name, you will need appropriate documentation from your record-holder to vote at the Annual Meeting.

The cost of solicitation of proxies on behalf of the Board will be borne by the Company. In addition to the solicitation of proxies by mail, American Stock Transfer and Trust Company, a proxy solicitation firm, will assist the Company in soliciting proxies for the Annual Meeting and will be paid a fee of \$3,500, plus out-of-pocket expenses. Directors, officers and other employees of the Company and its subsidiary, Pacific Premier Bank (the Bank), may also solicit proxies personally or by telephone, without additional compensation therefore. The Company will also request persons, firms and corporations holding shares in their names, or in the names of their nominees, which are beneficially owned by others, to send proxy material to and obtain proxies from such beneficial owners and will reimburse such holders for their reasonable expenses in doing so.

Voting Securities

The Board of Directors has fixed the close of business on March 31, 2006 as the record date (the "Record Date") for the determination of stockholders of record entitled to notice of and to vote at the Annual Meeting and at any adjournments thereof. The securities that may be voted at the Annual Meeting are the issued and outstanding shares of Common Stock of the Company as of the Record Date, with each share entitling its owner to one vote on all matters to be voted on at the Annual Meeting. There is no cumulative voting for the election of directors. The total number of shares of Common Stock outstanding on the Record Date was 5,265,988 shares.

As provided in the Company's Certificate of Incorporation, record-holders of Common Stock who beneficially own in excess of 10% of the outstanding shares of Common Stock (the "Limit") are not entitled to any vote in respect of the shares held in excess of the Limit. A person or entity is deemed to beneficially own shares owned by an affiliate of, as well as, by persons acting in concert with, such person or entity. The Company's Certificate of Incorporation authorizes the Board of Directors (i) to make all determinations necessary to implement and apply the Limit, including determining whether persons or entities are acting in concert and (ii) to demand that any person who is reasonably believed to beneficially own stock in excess of the Limit supply information to the Company to enable the Board of Directors to implement and apply the Limit.

The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of Common Stock entitled to vote (after subtracting any shares in excess of the Limit pursuant to the Company's Certificate of Incorporation) is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker "non-votes" are counted as present for purposes of determining whether a quorum exists. A broker "non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. In the event there are not sufficient votes for a quorum or to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit the further solicitation of proxies.

As to the election of the directors set forth in Proposal 1, the proxy card being provided by the Board of Directors enables a stockholder (i) to vote FOR the election of the nominees proposed by the Board of Directors or (ii) to WITHHOLD authority to vote for the nominees being proposed. Under Delaware law and the Company's Bylaws, directors will be elected by a plurality of votes cast, without regard to proxies as to which authority to vote for the nominee being proposed is withheld. The two persons who receive the greatest number of votes of the holders of the Common Stock cast at the Annual Meeting will be elected directors of the Company.

The affirmative vote of a majority of the votes cast by the holders of common stock present, in person or by proxy, and entitled to vote thereon, is required to ratify the appointment of Vavrinek, Trine, Day & Co., LLP ("VTD") as the Company's independent auditors for fiscal year ended December 31, 2006, and to approve any other matter properly submitted to stockholders for their consideration at the Annual Meeting. Abstentions may be specified on each of these proposals. Shares that are voted as abstaining on the ratification of the appointment of the Company's independent auditors will be treated as shares present and entitled to vote that were not cast in favor of such proposal, and thus will be counted as votes against such proposal. Under the rules of the New York Stock Exchange, the proposals for the election of directors and to ratify the appointment of VTD are considered "routine" matters upon which brokerage firms may vote in their discretion and for which there will not be any broker "non-votes".

Proxies solicited hereby will be returned to the Company's transfer agent, American Stock Transfer and Trust Company, and will be tabulated by inspectors of election designated by the Board of Directors, who will not be employed by, or be directors of, the Company or any of its affiliates. After the final adjournment of the Annual Meeting, the proxies will be returned to the Company for safekeeping.

Security Ownership of Certain Beneficial Owners

The following table sets forth information as to those persons believed by management to be beneficial owners of more than 5% of the Company's outstanding shares of Common Stock on the record date or as represented by the owner or as disclosed in certain reports regarding such ownership filed by such persons with the Company and with the Securities and Exchange Commission (SEC), in accordance with Sections 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Other than those persons listed below, the Company is not aware of any person, as such term is defined in the Exchange Act, that beneficially owns more than 5% of the Company's Common Stock as of the Record Date.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Common Stock	Wellington Management Company, LLP 75 State Street Boston, MA 02109	478,100 (2)	9.079 %

(1) Based on 5,265,988 shares of Common Stock outstanding on the Record Date.

(2) As disclosed on a Schedule 13G filed on February 14, 2006.

PROPOSALS TO BE VOTED ON AT THE MEETING**PROPOSAL 1.
ELECTION OF DIRECTORS**

The Board of Directors of the Company currently consists of seven (7) directors and is divided into three classes. Each of the seven members of the Board of Directors of the Company also presently serves as a director of the Bank. Directors are elected for staggered terms of three years each, with the term of office of only one of the three classes of directors expiring each year. Directors serve until their successors are elected and qualified.

Nominees for Election as Directors

John D. Goddard has been a public accountant for the past 43 years. Mr. Goddard was initially employed by W.C. Brassfield, CPA from 1962 to 1965 and then formed the partnership, Brassfield and Goddard, CPAs in 1965 and continued practicing until September 1976. The firm incorporated into Goddard Accountancy Corporation, CPAs where Mr. Goddard served as President since September 1976 and practiced until December 2003. The corporation merged with the firm of Soren McAdam Christenson, LLP in January 2004. Mr. Goddard is a practicing Certified Public Accountant and has served as a member of the Company's Board since 1988.

Kent G. Snyder is a practicing attorney specializing in complex real estate investment and development law as well as corporate law for the past 39 years. Since 1997, Mr. Snyder serves on the Board of Directors of the Tejon Ranch Company, a New York Stock Exchange listed company engaged in land management and development, and is Chairman of the Audit Committee and a member of the Real Estate Committee. He is currently the Chairman of the Board of Independence Bank, a state chartered Industrial Loan Corporation. Mr. Snyder served on the Board of Directors of First Fidelity Bancorp, Inc. for over 15 years, prior to the company being acquired by Hawthorne Financial Corporation, where he served as the Chairman of the Audit Committee.

In the event that any of the nominees is unable to serve or declines to serve for any reason, it is intended that the proxies will be voted for the election of such other person as may be designated by the present Board of Directors. The Board of Directors has no reason to believe that the persons named will be unable or unwilling to serve. Unless authority to vote for the nominees is withheld, it is intended that the shares represented by the enclosed proxy card, if executed and returned, will be voted FOR the election of the nominees proposed by the Board of Directors.

The Board of Directors unanimously nominated all persons standing for election as director. No person being nominated as a director is being proposed for election pursuant to any agreement or understanding between any such person and the Company. No director or executive officer of the Company is related to any other director or executive of the Company by blood, marriage or adoption.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.

Continuing Directors

Steven R. Gardner has been the President and Chief Executive Officer of Pacific Premier Bancorp and the Bank since the third quarter of 2000. Prior to joining us in February 2000 as Chief Operating Officer, Mr. Gardner was Senior Vice President of Lending at Hawthorne Savings since 1997. Mr. Gardner has served in management positions in credit administration, portfolio management, lending production and operations as well as risk management for the past 22 years, including serving as Vice President of Loan Production and Operations Manager at Washington Mutual from 1994-1997 and District Loan Manager at California Federal Bank from 1992 to 1994. Mr. Gardner holds a B.A. from California State University Fullerton and attended graduate school at California State University Long Beach.

Sam Yellen has 36 years of experience in public accounting until his retirement in 1990 from the public accounting firm of KPMG LLP. Mr. Yellen served on KPMG's Board of Directors and the Board's Audit Committee. After his retirement, Mr. Yellen has worked as a business consultant and has served on the Board of Directors of several companies including Downey Financial Corporation and Wedbush Morgan Securities. Mr. Yellen served as the Chairman of the Board of Directors Audit Committee for ten years at Downey Savings until his retirement.

Ronald G. Skipper has been Chairman of the Board of the Company since 1997 and a member of the Company's Board since 1983. Mr. Skipper is a self-employed attorney and has been practicing law for 35 years. He is general counsel to the National Orange Show Board of Directors of San Bernardino County and has served on numerous Boards of Directors including: The University of California, Hastings College of Law 1066 Foundation, California State University, San Bernardino Foundation and St. Bernadine's Hospital Foundation.

Michael L. McKennon is a founding partner of the Irvine, California accounting firm of McKennon Wilson & Morgan LLP, a registered firm of the Public Company Accounting Oversight Board. Mr. McKennon, a Certified Public Accountant, is responsible for the firm's audit practice since 1998. Mr. McKennon was previously employed by the accounting firm of PricewaterhouseCoopers LLP and has 22 years experience in private and public accounting, auditing and consulting for real estate development, mortgage banking, manufacturing, and software clients in Southern California.

Kenneth A. Boudreau is the President and Chief Executive Officer of M. C. Gill Corporation, a manufacturing concern in El Monte, California. Mr. Boudreau joined M. C. Gill Corporation in 1996 as its Chief Financial Officer, assumed progressive responsibilities over time, and was named to his current position in 2002. Mr. Boudreau had previously been employed by The Quikset Organization in Irvine for 15 years where he was initially hired as their controller and advanced to lead their subsidiaries with \$40 million in revenues. Mr. Boudreau is a CPA in California, and was employed by Deloitte & Touche before

joining The Quikset Organization. He obtained his B.A. degree in Business Administration from California State University Fullerton.

Information with Respect to Directors and Executive Officers

The following table sets forth, as of March 31, 2006, certain information with respect to the nominees, continuing directors and named executive officers (as defined herein), including the percent of Common Stock of the Company beneficially owned by each director and named executive officer and all directors and executive officers as a group.

Name	Age	Director Since(1)	Expiration of Term/ Proposed Term as Director	Shares of Common Stock Beneficially Owned(2)(3)	Percent Class(4)
NOMINEES					
John D. Goddard, Director	67	1988	2009	62,850	1.13 %
Kent G. Snyder, Director	69	2000	2009	134,850	2.42 %
CONTINUING DIRECTORS					
Steven R. Gardner, Director President and Chief Executive Officer of the Company and the Bank	45	2000	2007	225,200	4.04 %
Sam Yellen, Director	75	2004	2007	10,000	*
Ronald G. Skipper Chairman of the Board of the Company and the Bank	65	1983	2008	51,531	*
Michael L. McKennon, Director	45	2004	2008	15,000	*
Kenneth A. Boudreau, Director	56	2005	2008	3,400	*
NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS					
John Shindler Executive Vice President, Chief Financial Officer, Treasurer, and Corporate Secretary of the Company & the Bank	50			56,100	1.01 %
Eddie Wilcox Executive Vice President and Chief Banking Officer	39			47,500	*
Stock Ownership of all Directors and Executive Officers as a Group (10 persons)				606,431	10.87 %

* Does not exceed 1.0% of the Company's outstanding securities.

- (1) Includes years of service as a Director of the Bank.
- (2) Each person effectively exercises sole (or shares with spouse or other immediate family member) voting or dispositive power as to shares reported herein (except as noted).

(3) Includes options to purchase shares, all of which are fully vested (See Form 8-K filed with the SEC on March 4, 2005), and shares of restricted stock pursuant to the Company's 2004 Long-term Incentive Plan.

(4) As of March 31, 2006, there were 5,265,988 shares of Common Stock outstanding. Percentages include Common Stock outstanding plus 311,672 shares of Common Stock that may be acquired upon the exercise of options.

Named Executive Officers

John Shindler, EVP/Chief Financial Officer and Treasurer hired in December of 2000 as Controller and promoted to CFO in the third quarter of 2002. Mr. Shindler serves as Chairman of our Asset Liability Committee and IAR Committee. Prior to joining the Bank, Mr. Shindler worked as a division controller for IXL, an Internet solution company, for approximately a year. Prior to that, he worked for Long Beach Acceptance Corp., an indirect auto lender, for more than three years. He started as a division controller and then was promoted to Regional Vice President of Operations. Mr. Shindler has 14 years of experience as controller or treasurer of various companies, 11 of which were spent at financial institutions.

Edward Wilcox, EVP/Chief Banking Officer was hired in August 2003 as the Bank's Senior Vice President and Chief Credit Officer. In September of 2004, Mr. Wilcox was promoted to Executive Vice President and was responsible for overseeing loan and deposit production. In the fourth quarter of 2005, Mr. Wilcox was promoted to Chief Banking Officer and assumed responsibility of the branch network. Prior to joining us, Mr. Wilcox served as Loan Production Manager at Hawthorne Savings for two years and as the Secondary Marketing Manager at First Fidelity Investment & Loan for five years. Mr. Wilcox has an additional nine years of experience in real estate banking including positions as Asset Manager, REO Manager and Real Estate Analyst at various financial institutions.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers (as defined in regulations promulgated by the SEC thereunder) and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent stockholders of the Company are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of copies of such reports of ownership furnished to the Company, or written representations that no forms were necessary, the Company believes that each of the officers, directors and greater than ten percent stockholders of the Company have complied with all filing requirements that are applicable to them under Section 16(a) during the past fiscal year.

Board of Directors Meetings, Board Committees and Compensation of Directors

The Board of Directors of the Company conducts its business through meetings of the Board of Directors and through activities of its committees. The Board of Directors of the Company meets monthly and may have additional special meetings upon the request of the Chairman of the Board. Pursuant to applicable Nasdaq National Market requirements, the Board of Directors has affirmatively determined that the following members of the Board of Directors are independent within the meaning of such rule: Sam Yellen, Ronald G. Skipper, Kenneth A. Boudreau, Michael L. McKennon, John D. Goddard and Kent G. Snyder. As such, and pursuant to applicable Nasdaq National Market requirements, a majority of the members of the Board of Directors is independent as so defined. During the year ended December 31, 2005, the Board of Directors of the Company held 12 meetings. Each of the directors of the Company attended at least 90% of the total number of the Company's Board meetings held and committee meetings on which such directors served during 2005, with the exception of Mr. Yellen who attended 75%

of the meetings and Mr. Boudreau who became a director in December 2005. Directors are encouraged to attend the Annual Meeting. Messrs. Goddard, Yellen, and Boudreau were not present at the last annual meeting of stockholders. All other directors were present.

It is the Company's policy that the independent directors of the Company meet in executive sessions without management at least twice on an annual basis in conjunction with regularly scheduled board meetings. Executive sessions at which the independent directors meet with the Chief Executive Officer also may be scheduled.

The Board of Directors of the Company maintains committees; the nature and composition of which are described below:

Audit Committee. In February 2004, the Chairman of the Board of Directors appointed Messrs. McKennon, Snyder and Yellen to constitute the Audit Committee. The members of the committee accepted their appointment and the Board of Directors approved the appointments. The Audit Committee is responsible for selecting and communicating with the independent auditors, reporting to the Board on the general financial condition of the Company and the results of the annual audit, and ensuring that the Company's activities are being conducted in accordance with applicable laws and regulations. The Audit Committee and the internal auditor of the Company met five times during 2005.

No member of the Audit Committee receives any consulting, advisory or other compensation fee from the Company other than fees for service as member of the Board of Directors, committee member or officer of the Board. Each of the Audit Committee members is considered independent under the listing standards of the Nasdaq National Market and rules of the SEC. The Board of Directors has determined that Mr. Yellen satisfies the requirements established by the SEC for qualification as an audit committee financial expert. The Audit Committee operates pursuant to a written charter, a copy of which was filed as an exhibit to the 2003 proxy statement.

Report of the Audit Committee. **The report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.**

The Audit Committee has reviewed and discussed the audited financial statements for fiscal year 2005 with management and with the independent auditors. Specifically, the Audit Committee has discussed with the independent auditors the matters required to be discussed by SAS 61, as amended (Codification of Statements on Auditing Standards, AU Section 380), which includes, among other things:

- Methods used to account for significant unusual transactions;
- The effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- The process used by management in formulating particularly sensitive accounting estimates and the basis for the auditor's conclusions regarding the reasonableness of those estimates; and
- Disagreements with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the financial statements.

The Audit Committee has received the written disclosures and the letter from the Company's independent accountants, VTD, required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committee*. Additionally, the Audit Committee has discussed with VTD, the issue of its independence from the Company. Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the

audited financial statements be included in the Company's Annual Report on form 10-K for the fiscal year ended December 31, 2005. The Audit Committee also recommended the appointment of VTD as the Company's independent accountants for the year ending December 31, 2006.

Sam Yellen, Chairman
Michael L. McKennon
Kent G. Snyder

Nominating and Corporate Governance Committee. In 2003, the Company formed the Nominating and Corporate Governance Committee (the Nominating Committee). The Nominating Committee is comprised of independent directors Messrs. Goddard, Skipper and Snyder. The Nominating Committee has oversight responsibility for candidates to be nominated as directors and to determine satisfaction of independence requirements. The Nominating Committee has adopted a written charter. A copy of the charter and the Company's Corporate Governance policy can both be found on the Company's website at www.PPBI.net under the investor relations tab.

The Nominating Committee considers candidates for director suggested by its members and other directors of the Company, as well as management and stockholders. The Nominating Committee also may solicit prospective nominees which the Nominating Committee as identified. A stockholder who desires to recommend a prospective nominee for the Board should notify the Company's Corporate Secretary or any member of the Nominating Committee in writing with whatever supporting material the stockholder considers appropriate. The Nominating Committee also considers nominees submitted pursuant to the provisions of the Company's Bylaws relating to stockholder nominations. The Nominating Committee has authority to retain a third-party search firm to identify or evaluate, or assist in identifying and evaluating, potential nominees if it so desires, although it has not done so to date.

In evaluating nominees for director, the Nominating Committee considers such other relevant factors as it deems appropriate, including the current composition of the Board, the need for Audit Committee expertise, the director qualification guidelines set forth in the Company's Corporate Governance Policy and the evaluations of other prospective nominees. In connection with this evaluation, the Nominating Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating Committee, in concert with the Company's Chief Executive Officer, interviews prospective nominees in person or by telephone. After completing its evaluation, the Nominating Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating Committee.

Stockholder Nominations for the Board. Any stockholder nominations for director should include the nominee's name and qualifications for membership on the Board of Directors and be delivered to the Company's Corporate Secretary, Pacific Premier Bancorp, 1600 Sunflower Avenue, Costa Mesa, California 92626. In addition the Bylaws of the Company permit stockholders to nominate directors for consideration at an annual meeting of stockholders. See Additional Information. The Company did not receive any stockholder nominations for director for the Annual Meeting.

Compensation Committee. The Compensation Committee of the Company is comprised of Messrs. Skipper, Snyder and Goddard for 2005, each of whom is independent as defined under Nasdaq National Market listing standards. The Compensation Committee held one meeting during 2005, at which all members were present. The Compensation Committee (i) has oversight responsibility for the Bank's compensation policies, benefits and practices, (ii) reviews and the Chief Executive Officer's recommendations concerning individual incentive awards of officers directly reporting to him, (iii) approves all stock option and restricted stock grants, (iv) has oversight responsibility for management planning and succession, and (v) determines the amount of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) annual bonus and stock option and restricted stock grants. The

Compensation Committee may from time to time retain independent compensation consultants to assist it in the exercise of its responsibilities, including developing compensation plans and providing comparative data regarding the Bank's compensation policies.

Stockholder Communications with the Board

Stockholders may communicate with the Board of Directors by sending a letter to the Company's Board of Directors, c/o Corporate Secretary, Pacific Premier Bancorp, 1600 Sunflower Avenue, Costa Mesa, California 92626. The Corporate Secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications. If deemed an appropriate communication, the Corporate Secretary will submit stockholder correspondence to the Chairman of the Board or to any specific director to whom the correspondence is directed.

Directors' Compensation

Currently, all outside directors of the Company receive a monthly retainer of \$450. In addition, outside directors of the Bank receive a monthly retainer of \$2,000 for serving on the Bank's Board of Directors, while the Chairman of the Board of the Bank receives a monthly retainer of \$2,500. A monthly fee of \$300 is paid to the Chairman of the Credit Committee. Outside directors of the Company are also entitled to receive stock options and restricted stock grants. During 2005, there were no option or restricted stock grants made to directors.

Executive Compensation

The report of the Compensation Committee and the stock performance graph shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

Compensation Committee Report on Executive Compensation.

Under rules established by the SEC, the Company is required to provide certain data and information in regard to the compensation and benefits provided to the Company's CEO and other executive officers of the Company and the Bank. The disclosure requirements for the CEO and other executive officers include the use of tables and a report explaining the rationale and considerations that led to fundamental compensation decisions affecting those individuals. In fulfillment of this requirement, the Compensation Committee of the Board of Directors of the Company, at the direction of the Board of Directors, has prepared the following report for inclusion in this Proxy Statement. The Bank's compensation programs are designed to provide the Bank's employees, including the Bank's executive officers, with competitive annual salaries, benefits and the potential to earn cash bonuses based upon period measurable performance. In addition, key employees, including executive officers, have the potential to receive one or more grants of stock options, restricted stock award or stock appreciation rights under the Company's 2000 Stock Incentive Plan and the 2004 Long-term Incentive Plan, together (the Incentive Plans). The Compensation Committee believes that the combination of programs provides reasonable incentives to the Bank's executive officers to meet or exceed the Bank's annual or multi-year financial and operational goals, and reasonably aligns the interests of such officers with those of the Company's Stockholders.

Executive Compensation. Base salaries for the executive officers, including the CEO and the CFO, are established by the Compensation Committee based on the following factors, as appropriate: individual performance and achievement, areas of responsibility, position, the extent to which the officers' skills are

in demand and internal and external comparability. For fiscal year 2005, the Company's and the Bank's executive officers are eligible to receive bonuses based on individual and Company performance.

The Compensation Committee believes that it is important for key employees to have long-term incentives through an equity interest in the Company. Accordingly, the Company currently grants stock options to key employees pursuant to the Incentive Plans. The Compensation Committee of the Company grants options upon a review of the recommendations of the President/CEO.

Executive Compensation Chief Executive Officer. The Company and the Bank hired Mr. Gardner in February 2000 as Chief Operating Officer. Mr. Gardner was promoted to President and CEO in August 2000. The President/CEO base salary for 2005 was \$300,000. Each of the Company and Bank entered into a three year employment agreement with Mr. Gardner on January 5, 2004. The employment agreements provide for a base salary of \$275,000, \$300,000 and \$300,000 for 2004, 2005, and 2006, respectively. In determining Mr. Gardner's salary, the Compensation Committee took into consideration comparable compensation for salary, bonus and other compensation for publicly traded West Coast banks and thrifts along with Mr. Gardner's relative years of service and experience as a CEO as well as his performance since becoming President/CEO of the Company and Bank over the prior three years. In determining Mr. Gardner's incentive compensation for 2005, the Company's Chairman of the Board and the Chairman of the Compensation Committee reviewed Mr. Gardner's performance during 2005 as President and CEO. Based upon that review and Mr. Gardner's implementation and achievement of the Company's strategic plan in 2005, the Compensation Committee approved an incentive award to Mr. Gardner of \$300,000. Mr. Gardner also participates in other benefit plans available to all employees, including the 401(k) Plan and the 2004 Long-Term Incentive Plan.

Ronald G. Skipper, Chairman
John D. Goddard
Kent G. Snyder

Stock Performance Graph. The graph below compares the performance of the Common Stock with that of the Nasdaq Composite Index (U.S. Companies) and the Nasdaq Bank Index from December 31, 2000 through December 31, 2005. The graph is based on the investment of \$100 in the Common Stock at its closing price on December 31, 2000. The Company has not paid any dividends on its Common Stock.

Total Return Analysis	12/31/2000	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005
Pacific Premier Bancorp, Inc.	\$ 100.00	\$ 59.59	\$ 154.36	\$ 322.38	\$ 385.47	\$ 343.03
Nasdaq Bank Stocks Index	\$ 100.00	\$ 108.27	\$ 110.84	\$ 142.58	\$ 163.17	\$ 159.40
Nasdaq Composite Index	\$ 100.00	\$ 79.32	\$ 54.84	\$ 81.99	\$ 89.22	\$ 91.12

Summary Compensation Table. The following table shows, for the years ended December 31, 2005, 2004, and 2003, the cash compensation paid by the Company and the Bank, as well as certain other compensation paid or accrued for those years, to the Chief Executive Officer and the four other most highly compensated senior officers of the Company (the named executive officers) based on total annual salary and bonus for 2005.

Name and Principal Position	Year	Annual Compensation		Other Annual Compensation(2)	Long Term Compensation Awards		All Other Compensation(4)
		Salary	Bonus		Restricted Stock Awards	Options/ SARs(3)	
Steven R. Gardner(1) President and Chief Executive Officer	2005	\$ 300,000	\$ 300,000	\$ 7,072	\$		\$ 10,253
	2004	\$ 275,000	\$ 250,000	\$ 9,654	\$	75,000	\$ 10,344
	2003	\$ 248,233	\$ 300,000	\$ 13,397	\$		

