

# Bank On It, Inc. | 2011

## Notice of Annual Meeting & Proxy Statement



BANK ON IT, INC.

April 20, 2011

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders (“the Meeting”) of Bank On It, Inc. ("the Company") which will be held at 5:30 p.m. on Thursday, May 26, 2011, at The Haggin Museum, 1201 N. Pershing Avenue, Stockton, California 95203. Details of the business to be conducted at the Annual Meeting are provided in the attached Notice of Annual Meeting and Proxy Statement. Also enclosed for your information is a copy of the Company’s 2010 Annual Report.

I hope that you will attend the Annual Meeting. In any event, please promptly mark, sign, date and return the enclosed Proxy Card in the accompanying reply envelope, as soon as possible.

Sincerely yours,

Rudy G. Croce  
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 26, 2011

TO THE SHAREHOLDERS OF Bank On It, Inc.:

The Annual Meeting of Shareholders of Bank On It, Inc. will be held at 5:30 p.m. on Thursday, May 26, 2011, at The Haggin Museum, 1201 N. Pershing Avenue, Stockton, California 95203 for the purpose of considering and voting on the following matters:

1. Electing the following nine (9) persons (the entire Board of Directors) to serve as directors until the next Annual Meeting of Shareholders and until their successors are elected and have qualified:

**Jane R. Butterfield**

**Javad Jamshidi, M.D.**

**Rudy G. Croce**

**Kathleen Lagorio Janssen**

**Barbara M. Dondero**

**Gregory J. Tudor**

**Dennis Donald Geiger**

**Tobbie J. Wells**

**James R. Hanley**

2. Ratifying the Board of Directors' appointment of Moss Adams LLP, to act as the company's independent accountants for the year ending, December 31, 2011;

3. Transacting such other business as may properly come before the Annual Meeting and any and all adjournments thereof.

The Board of Directors recommends that you vote in favor of the election of the above nominees and in favor of the proposal.

Only shareholders of record at the close of business on March 28, 2011, are entitled to notice of and to vote at the Annual Meeting. **Whether or not you plan to attend the Annual Meeting, please sign, date and return the enclosed Proxy Card in the postage paid envelope provided, so that as many shares as possible may be represented at the Annual Meeting.**

Brokers are no longer allowed to vote your shares in the election of directors if they do not receive instructions from you. It is very important that you vote your shares for all proposals, including the election of directors. Please see the Important Message at the end of this booklet.

The vote of every shareholder is important and we appreciate your cooperation in returning your executed proxy promptly. Each proxy is revocable and will not affect your right to vote in person if you attend the Annual Meeting.

Dated: April 20, 2011

Bank On It, Inc.

Martha V. Denk  
Secretary

PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS

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To Be Held May 26, 2011

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders of Bank On It, Inc. (the “Company”) to be held at 5:30 p.m. on Thursday, May 26, 2011, at The Haggin Museum, 1201 N. Pershing Avenue, Stockton, California 95203, and at any and all adjournments or postponements thereof (the “Meeting”). The solicitation of the Proxy accompanying this Proxy Statement is made by the Company’s Board of Directors (the “Board”).

The Company expects to mail this Proxy Statement and accompanying Notice to Shareholders on approximately April 20, 2011.

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

1. Electing nine (9) persons (the entire Board of Directors) to serve as directors until the next Annual Meeting and until their successors are elected and have qualified; and
2. Ratifying the Board of Directors' appointment of Moss Adams LLP, to act as the Company's independent accountants for the year ending, December 31, 2011;
3. To transact such other business as may properly come before the Meeting and any and all adjournments or postponements thereof.

**Revocability of Proxies**

A proxy for use at the Meeting is enclosed. Any shareholder who executes and delivers such proxy has the right to revoke it at any time before it is exercised by filing with the Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date, or by attending the Meeting and voting in person. Subject to such revocation, all shares represented by a properly executed proxy received in time for the Meeting will be voted by the proxy holders whose names are set forth in the accompanying proxy (the “Proxy Holders”) in accordance with the instructions on the proxy. If no instruction is specified with respect to a matter to be acted upon, the shares represented by the proxy will be voted in favor of the election of the nominees for directors set forth herein, in favor of the ratification of independent accountants, and, if any other business is properly presented at the Meeting, in accordance with the recommendations of the Board of Directors.

**Solicitation of Proxies**

The Company will bear the cost of this solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the material used in this solicitation of proxies. The proxies will be solicited principally through the mail, but officers, directors and regular employees of the Company may solicit proxies personally or by telephone. Arrangements will be made with brokerage firms and other custodians, nominees and fiduciaries to forward these proxy solicitation materials to shareholders whose stock in the Company is held of record by such entities. In addition, the Company may pay for and utilize the services of individuals or companies not regularly employed by the Company in connection with this solicitation of proxies, if management determines it advisable.

VOTING SECURITIES

There were 1,558,308 shares of the Company’s common stock issued and outstanding on March 28, 2011, which is the record date for the purpose of determining the shareholders entitled to notice of and to vote at the Meeting. The presence, in person or by proxy, of at least a majority of the total number of

outstanding shares of the Company's common stock is necessary to constitute a quorum at the Meeting for the transaction of business. Each holder of common stock will be entitled to one vote, in person or by proxy, for each share of common stock standing in his or her name on the books of the Company as of the record date for the Meeting, on any matter submitted to the vote of the shareholders, except that in connection with the election of directors, the shares are entitled to 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 has given notice of his or her intention to vote his or her shares cumulatively. If a shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination. Cumulative voting entitles a shareholder to give one nominee as many votes as is equal to the number of directors to be elected multiplied by the number of shares owned by such shareholder, or to distribute his or her votes on the same principle among two or more nominees. If cumulative voting is declared at the Meeting, votes represented by Proxies delivered pursuant to this Proxy Statement may be cumulated and allocated among nominees at the discretion of the Proxy Holders, in accordance with the recommendations of the Board of Directors. Accordingly, this Proxy Statement solicits accumulative voting authority.

The nine (9) candidates receiving the highest number of votes will be elected. The ratification of Moss Adams LLP as the Company's independent accountants must be approved by a majority of the shares present at the Meeting.

Broker non-votes (i.e., shares held by brokers or nominees which are represented at the Meeting but with respect to which the broker or nominee is not authorized to vote on a particular proposal) and abstentions will not be counted, except for quorum purposes, and will have no effect on the election of directors. In determining whether the requisite shareholder approval has been received for ratification of the selection of independent accountants, if the number of votes voted in favor constitutes a majority of the quorum, broker non-votes and abstentions will have no effect on the matter. However, if the number of shares voted in favor does not constitute a majority of the required quorum, broker non-votes and abstentions will have the same effect as a vote against the matter.

#### PRINCIPAL SHAREHOLDERS

Based on Company records, management knows of no person who owned beneficially more than 5% of the outstanding common stock of the Company as of March 28, 2011, except for: Jane R. Butterfield, Javad Jamshidi M.D. and Kathleen Lagorio Janssen, whose holdings of common stock are disclosed on page 7, and as follows:

<b>Name and Address of beneficial owner<sup>1</sup></b>	<b>Amount of beneficial ownership<sup>2</sup></b>	<b>Percent of class</b>
Bright Family Foundation	123,413	7.9%

Information concerning the stock ownership of the Company's executive officers and director nominees is set forth below.

<sup>1</sup> The address of all persons is c/o Bank On It, Inc., 22 W. Yokuts Ave., Stockton, CA 95207.

<sup>2</sup> Beneficial ownership includes shares which the shareholder has the right to acquire within 60 days of March 28, 2011.

**PROPOSAL ONE: ELECTION OF DIRECTORS**

The Company's Bylaws provide that the number of directors shall be not fewer than six nor more than eleven. The Bylaws further provide that the exact number of directors shall be fixed from time to time, within the foregoing range, by a bylaw or amendment thereof or by a resolution duly adopted by the vote or written consent of the Company's shareholders or by the Company's Board of Directors. The exact number of directors is presently fixed at nine. The nine persons named as nominees in the Notice of Annual Meeting included with this Proxy Statement, all of whom are present members of the Board of Directors, have been nominated for election to serve as directors until the next Annual Meeting and until their successors are elected and have qualified. Votes will be cast pursuant to the enclosed Proxy in such a way as to effect the election of said nine nominees, or as many thereof as possible under applicable voting rules. In the event that any of the nominees should be unable to serve as a director, it is intended that the Proxy will be voted for the election of such substitute nominee, if any, as shall be designated by the Board of Directors. The Board has no reason to believe that any nominee will become unavailable.

The following table provides information about the Company's directors, each of whom is nominated for election to the Board of Directors at the Meeting, and the executive officers of the Company's subsidiary, Community Bank of San Joaquin (the "Bank").

Name, Address, and Offices Held with the Company <sup>1</sup>	Principal Occupation for the Past Five Years	Age	Year First Elected or Appointed Director/Officer
<b>Nominees and Directors</b>			
Jane R. Butterfield Director, President/CEO	CEO, President – Bank On It, Inc., CEO, President – Community Bank of San Joaquin	54	1999
Rudy G. Croce Director, Chairman	Retired since 2004; previously President – Croce & Co. Accountancy Corporation	72	1999
Barbara M. Dondero Director	Co-Owner – R. & J. Dondero, Inc., a farming corporation	64	1999
Dennis Donald Geiger Director	Partner, Geiger & Keen, LLP, Attorneys at Law	67	2009
James R. Hanley Director	President – Hanley Construction, Inc.	54	2011
Javad Jamshidi, M.D. Director	President – Stockton MRI & Molecular Imaging Medical Center, Inc.	70	1999
Kathleen Lagorio Janssen Director, Vice Chair, Chief Financial Officer	CEO – Ace Tomato Co., Inc.	64	1999

<sup>1</sup> The business address for each of the directors and executive officers is 22 W. Yokuts Ave., Stockton, California 95207. All directors of Bank On It, Inc. are also directors of Community Bank of San Joaquin.

BANK ON IT, INC.

Name, Address, and Offices Held with the Company <sup>1</sup>	Principal Occupation for the Past Five Years	Age	Year First Elected or Appointed Director/Officer
Gregory J. Tudor Director	President-Pacific Storage Company	49	2009
Tobbie J. Wells Director	Partner-Bowman & Company, LLP, Certified public accountants	45	2009
<b>Other - Executive Officers</b>			
John Baughn	EVP/Manager of Information Systems – Community Bank of San Joaquin	62	1999
Martha V. Denk Secretary	EVP/Chief Operating Officer – Community Bank of San Joaquin	59	1999
Richard Dodge	EVP/ Chief Financial Officer – Community Bank of San Joaquin	49	2006

The following table sets forth certain information as of March 28, 2011 with respect to (i) each of the persons nominated by the Board of Directors for election as director, (ii) each executive officer of the Company and the Bank, and (iii) the directors and executive officers as a group:

## Management's Beneficial Ownership of Common Stock

Name	Number of Shares <sup>1</sup>	Exercisable Option Shares <sup>2</sup>	Percentage of Shares Outstanding <sup>3</sup>
<b>Nominees and Directors</b>			
Jane R. Butterfield Director, President/CEO	51,838	45,230	6.1%
Rudy G. Croce Director, Chairman	9,113	8,005	1.1%
Barbara M. Dondero Director	28,715	8,005	2.3%
Dennis Donald Geiger Director	0	0	0.0%
James R. Hanley Director	18,343	0	1.2%
Javad Jamshidi, M.D. Director	134,973	8,005	9.1%
Kathleen Lagorio Janssen Director, Vice Chair, CFO	91,356	8,005	6.3%
Gregory J. Tudor Director	1,000	0	0.1%
Tobbie J. Wells Director	0	0	0.0%
<b>Executive Officers</b>			
John Baughn	2,551	13,819	1.0%
Martha V. Denk Secretary	1,912	17,719	1.2%
Richard Dodge	2,766	16,124	1.2%
All Directors and Executive officers as a group:	342,567	124,912	27.8%

<sup>1</sup> Except as otherwise noted, may include shares held by such person's spouse (except where legally separated) and minor children; shares held by any other relative of such person who has the same home; shares held in "street name" for the benefit of such person; shares held in an Individual Retirement Account as to which such person has pass-through voting rights and investment power; or shares held in the name of a family or living trust as to which such person is a trustee and primary beneficiary with sole voting and investment power (or shared power with a spouse).

<sup>2</sup> Represents option shares which are vested or will vest within 60 days of March 28, 2011 pursuant to the Company's 1999 and 2009 Stock Incentive Plans. All shares are adjusted to reflect stock dividends issued since the date of grant.

<sup>3</sup> This percentage is based on the total number of shares of the Company's common stock outstanding, plus, for each person or group, the number of option shares which are vested or will vest within 60 days of March 28, 2011 pursuant to the Company's 1999 and 2009 Stock Incentive Plans.

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**BOARD COMMITTEES AND OTHER CORPORATE GOVERNANCE MATTERS**

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**General**

The Board believes that it is important to encourage the highest level of corporate ethics and responsibility and has voluntarily implemented many of the corporate governance requirements of the Securities and Exchange Commission (the “SEC”) and NASDAQ. The discussion below outlines the various steps the Board has taken in this regard and provides information concerning certain Board committees.

**Audit Committee**

The Board has, among other committees, a standing Audit Committee, of which directors Wells (Chair), Croce, Dondero, Hanley, and Jamshidi are members. The purpose of the Audit Committee, which met nine times during 2010, is to review the reports of the Company’s outside accountants in order to fulfill the legal and technical requirements necessary to protect the Company’s directors, shareholders, employees and depositors. In addition, it is the responsibility of the Audit Committee to select the Company’s independent accountants and to make certain that the independent accountants have the necessary freedom and independence to examine all Bank records. Further, the Audit Committee pre-approves all audit and permissible non-audit services to be performed by the independent accountants, with certain de minimis exceptions. The Audit Committee also reviews the scope of both independent (external) and internal audits, and reviews and assesses the results.

The Board believes it is important for the Audit Committee to be composed entirely of non-employee directors who qualify as “independent” under the rules of the SEC, the Sarbanes-Oxley Act of 2002, and NASDAQ’s listing standards. Accordingly, each of the members of the Audit Committee meets both the SEC’s and NASDAQ’s definition of independence for purposes of service on the Company’s Audit Committee.

**Compensation Committee**

The Board has a Compensation Committee which operates under a charter, and has the responsibilities and authority to aid the Board in discharging its duties relating to the compensation of the Bank’s employees and to ensure the management has in place a plan to adequately and equitably compensate employees, management and officers who are employed by the bank consistent with market conditions and normally applied benchmarks for such compensation. The Committee reviews the Bank’s corporate bonus and incentive plans, overall employee benefit packages, and approves the CEO compensation package. The Compensation Committee consists of directors Croce (Chair), Geiger, and Wells. All are independent directors as defined under the rules of NASDAQ. As CEO, Ms. Butterfield provides recommendations to the Committee, but is not involved in the deliberations and does not vote on compensation matters. The Compensation Committee met twice in 2010.

**Director Nominations and Qualifications**

The Board does not have a standing Nominating Committee, as the majority of the members of the Board are independent directors, and the Board is sufficiently small as to make action by committee unnecessary for purposes of managing nominations. It is the policy of the Board that all members of the Board participate in the nomination of directors, in order that the broadest viewpoints and perspectives may be brought into the evaluation of sitting directors, the decision whether to invite new directors and the determination, and the evaluation of potential candidates for nomination as director.

The Company does not pay fees to any third party to identify or evaluate or assist in identifying or evaluating potential nominees. The Board has adopted the following policies and procedures concerning the director nomination process:

Prior to making any decisions concerning the nomination of directors for each year’s annual meeting, the Board shall (i) evaluate the performance, attendance records of, and any loans or other transactions

between the Company or its subsidiaries and each of the current Board members proposed for re-election, and on that basis consider the appropriateness of such members standing for re-election; (ii) review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes, and diverse personal and professional backgrounds for service as directors of the Company; (iii) consider the need to augment the Board for any specific purpose; (iv) review and consider any additional requests from outside parties to serve as directors; (v) if a new nominee is needed, determine the specific skills and experience desired in a new director; and (vi) in such case, identify potential nominees who have such skills and experience, determine whether the potential nominees are shareholders of the Company, investigate the potential nominee's background, develop personal knowledge about the candidate, develop a consensus of the directors with respect to which potential nominee would be best suited for the position, determine whether the candidate is interested, and vote on the nomination.

In identifying and evaluating potential nominees, the Board shall consider recommendations from directors and officers of the Company, as well as persons recommended by shareholders of the Company, and shall evaluate persons recommended by directors or officers in the same manner as those recommended by shareholders in selecting Board nominees.

In considering possible candidates for election as a director, the Board shall be guided by the principle that each director should: (a) be an individual of the highest ethical character and integrity; (b) have substantial experience which is of particular relevance to the Company; (c) have the ability and willingness to devote sufficient time to the affairs of the Company; (d) have a meaningful financial stake in the Company so as to assure that every director's interests are aligned with those of the shareholders; (e) be knowledgeable about the business activities and market areas in which the Company does business; (f) live or work within 100 miles of an existing or proposed office of the Company or its subsidiaries; (g) have an excellent personal and professional reputation in and commitment to one or more communities in which the Company does business; (h) serve or have served as chief executive officer or in another position of active leadership with a business or professional interest located within the geographic areas served by the Company; (i) have an inquiring mind, a willingness to ask hard questions, and the ability to work constructively with others; (j) have the ability and desire to exercise independent thinking when considering matters brought before the Board, and not be unduly influenced by the opinions of others; (k) have no conflict of interest that would interfere with his or her performance as a director; and (l) have the capacity and desire to represent the best interests of the shareholders as a whole and not primarily a specific interest group or constituency. While the Board believes that every director should possess as many as possible of the above attributes, it has not established any specific group of such attributes as "minimum qualifications" for serving as a director.

The Board also believes that the ability of each director to work in a harmonious, friendly, and cooperative manner is an extremely important attribute. Accordingly, in considering the desirability of any particular candidate as a potential director, the Board shall also consider the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the Company. The Board also considers diversity.

#### **Consideration of Shareholder Recommendations for Directors**

In considering any director nominees recommended by shareholders, the Board shall follow the same principles outlined above, and shall request of any potential nominee such information, including a completed Directors' and Officers' Questionnaire of the same type completed by each of the Company's existing directors and executive officers each year in connection with the preparation of the Company's proxy materials, as the Board deems necessary to enable the Board to properly evaluate such person's qualifications and to be aware of any information concerning such person which might require disclosure to shareholders pursuant to applicable rules concerning proxy statements.

A shareholder wishing to submit recommendations for director candidates for election at an annual meeting of shareholders must do so in writing and must include the following in the written recommendation: (i) a statement that the writer is a shareholder and is proposing a candidate for consideration; (ii) the name and contact information for the candidate; (iii) a statement of the candidate's business and educational experience; (iv) information regarding the candidate's qualifications to be director; (v) the number of shares of the Company's stock owned either beneficially or of record by the candidate and the length of time such shares have been so owned; (vi) the written consent of the candidate to serve as a director if nominated and elected; (vii) information regarding any relationship or understanding between the proposing shareholder and the candidate; (viii) a statement that the proposed candidate has agreed to furnish to the Company all information (including the completion of a Directors' and Officers' Questionnaire as described above) as the Company deems necessary to evaluate such candidate's qualifications to serve as a director; and (ix) as to the shareholder giving the notice (a) the name and address of the shareholder and (b) the number of shares of the Company's stock which are owned beneficially or of record by the shareholder.

### **Nominations of Directors by Shareholders**

The procedures for nominating directors (as opposed to making recommendations pursuant to the above procedure), other than by the Board of Directors itself, are set forth in the Company's Bylaws, which provide in pertinent part as follows:

“Nominations for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Notice of intention to make any nominations by a shareholder shall be made in writing and shall be delivered or mailed to and received by the Secretary of the Company not less than one hundred twenty (120) calendar days in advance of the date the Company's proxy statement was released to the shareholders in connection with the previous year's annual meeting of shareholders; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, notice by the shareholder must be received by the Secretary of the Company not later than the close of business on the later of (i) one hundred and twenty (120) days prior to such annual meeting; or (ii) ten (10) days after the date the notice of such meeting is sent to shareholders pursuant to Section 2.3 of these Bylaws. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of the Company owned by each proposed nominee; (d) the name and residence address of the notifying shareholder and the beneficial owner, if any, on whose behalf the nomination is made; and (e) the number of shares of voting stock of the Company owned beneficially and of record by the notifying shareholder and such beneficial owner. Nominations not made in accordance herewith shall be disregarded by the Chairman of the meeting, and the Inspectors of Election shall then disregard all votes cast for each such nominee.”

For the Company's 2012 Annual Meeting, written notice of intention to make any nominations must be received no later than December 11, 2011.

**Shareholder Communications with Board of Directors**

Shareholders may communicate with the Board or with any individual director by mailing a communication to the Company's principal executive offices addressed to the Board or the individual director. Shareholders may also use the "Contact Us" link from the website (www.cbsjbank.com). The communication should indicate that the author is a shareholder, and whether he or she owns his or her shares in street name. All of such communications, except those clearly of a marketing nature, will be forwarded directly to the appropriate individual director and presented to the full Board at the next regularly scheduled Board meeting.

**Directors' Attendance at Meetings**

During the fiscal year ended December 31, 2010, the Board of Directors held a total of five meetings, and thirteen Bank Board meetings. All directors of the Company and the Bank attended at least 75% of the aggregate of (i) the total number of such meetings and (ii) the total number of meetings held by all committees of the Board on which such director served during 2010.

The Board believes it is important for all directors to attend the Annual Meeting in order to show their support for the Company and to provide an opportunity for shareholders to communicate any concerns to them. The Company's policy is to encourage, but not require, attendance by each director at the Company's Annual Meeting. Five of the Company's directors who were directors at that time and are standing for re-election attended the Annual Meeting in 2010.

**Compensation of Executive Officers**Salary and Benefits

Five executive officers received a base salary that exceeded \$100,000 for the fiscal year ending December 31, 2010. The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Lending Officer and Information Systems Manager of the Bank collectively earned \$630,769 in base salary for the year. In 2010, no signing or other bonuses were paid. All other forms of compensation and benefits paid to executives were the standard benefits available to all full-time employees.

Employment Agreements

The Bank has entered into employment agreements with executives Jane Butterfield, Martha Denk, John Baughn and Richard Dodge for terms of one year. The employment agreements provide for base salaries as well as additional benefits, which vary by executive. In the event of termination without cause, each executive is entitled to a severance payment ranging from six months to one and one-half years of base salary subject to any required regulatory approval. In the event of a termination following a change in control of the Bank as defined in the agreements, executives are eligible for a severance payment ranging from one to two years of base salary, subject to any required regulatory approval.

Stock Options

Under the Company's 2009 Stock Incentive Plan, the Company may grant options and restricted stock to employees and directors for up to 164,139 shares of common stock. The exercise price of each option is equal to the fair market value of the Company's stock at the date of grant.

Unvested options and restricted stock accelerate in the event of a change in control of the Company, if not assumed by the acquiring company, and options terminate in the event of termination of employment, with the time period for exercise of the vested portion depending on the reason service ceases.

No stock options or awards of restricted stock were granted to executive officers during 2010.

The following table sets forth outstanding stock options held by each of the named executive officers as of December 31, 2010:

Name	Number of Shares Underlying Unexercised Options – Exercisable	Number of Shares Underlying Unexercised Options – Unexercisable	Option Exercise Price	Option Expiration Date
<b>Executive Officers</b>				
Jane Butterfield	25,524	-	\$ 9.99	3/18/2014
Director, CEO, Company and Bank	12,761	-	13.41	9/15/2015
	4,630	6,946	10.89	2/28/2018
John Baughn	6,379	-	9.99	3/18/2014
EVP/Manager Information Systems, Bank	4,464	-	13.41	9/15/2015
	1,984	2,977	10.89	2/28/2018
Martha Denk	6,379	-	9.99	3/18/2014
EVP/Chief Operating Officer, Bank	6,379	-	13.41	9/15/2015
	3,307	4,961	10.89	2/28/2018
Richard Dodge	9,724	2,431	15.35	5/25/2016
EVP/Chief Financial Officer, Bank	2,646	3,969	10.89	2/28/2018

### Compensation of Directors

Directors of the Company receive fees for their attendance at Board meetings, participation in committees as well as serving as committee chairs. In June 2009, the Board adopted a resolution revising the compensation structure for Bank Board members, eliminating the annual retainer fees paid to the directors and committee chairs. Directors are compensated for board meetings attended and at a lesser rate for committee meetings attended. Committee chairs receive a slightly higher fee for meetings they chair. The Chairman of the Board received a retainer which is included in the table below. Directors for Bank On It, Inc. are not separately compensated.

The following table furnishes the total compensation information and outstanding stock options held by each director as of December 31, 2010. No stock options were granted to directors in 2010.

Name	Total Fees (2010)	Number of Shares Underlying Unexercised Options – Exercisable	Number of Shares Underlying Unexercised Options – Unexercisable	Option Exercise Price	Option Expiration Date
<b>Directors</b>					
Rudy G. Croce	\$ 34,700	2,551	-	\$ 7.84	4/18/2012
Director		2,551	-	11.29	12/16/2014
Chairman		1,580	395	14.40	9/21/2016
		882	1,323	10.89	3/20/2018
Barbara M. Dondero	7,200	2,551	-	7.84	4/18/2012
Director		2,551	-	11.29	12/16/2014
		1,580	395	14.40	9/21/2016
		882	1,323	10.89	3/20/2018
Dennis Donald Geiger	9,200	-	-	NA	NA
Director					
James R. Hanley	NA	-	-	NA	NA
Director					
Javad Jamshidi, M.D.	6,900	2,551	-	7.84	4/18/2012
Director		2,551	-	11.29	12/16/2014
		1,580	395	14.40	9/21/2016
		882	1,323	10.89	3/20/2018
Kathleen Lagorio Janssen	9,000	2,551	-	7.84	4/18/2012
Director, Vice Chair, CFO		2,551	-	11.29	12/16/2014
		1,580	395	14.40	9/21/2016
		882	1,323	10.89	3/20/2018
Gregory J. Tudor	6,300	-	-	NA	NA
Director					
Tobbie J. Wells	7,250	-	-	NA	NA
Director					

All options granted to the non-employee directors vest at the rate of 20% per year over five years, and expire after ten years. The numbers of shares subject to such options, which were vested as of March 28, 2011 are listed in the table on page 7. Information concerning stock options held by Ms. Butterfield, who is also an executive officer, is set forth above under “Compensation of Executive Officers, Stock Options”.

#### **Related Party Transactions**

Some of the executive officers and directors of the Company and the companies with which they are associated have been customers of, and have had banking transactions with the Bank in the ordinary course of the Bank’s business since inception and the Bank expects to continue to have such banking transactions in the future. All loans and commitments to lend included in such transactions have been made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons of similar creditworthiness, and in the opinion of management of the Bank, have not involved more than the normal risk of repayment or presented any other unfavorable features.

#### **Recommendation of the Board of Directors**

The Board recommends that the shareholders vote "FOR" each of the board's nominees for election as directors.

**PROPOSAL TWO: RATIFICATION OF INDEPENDENT ACCOUNTANTS**

The Board of Directors has selected Moss Adams LLP ("Moss Adams") to serve as the Company's independent accountants for 2011, and is asking the shareholders to ratify this selection at the meeting.

Moss Adams audited the Company's consolidated financial statements for the fiscal year ended December 31, 2010, and has been the Company's independent accountants since 1999. It is anticipated that a representative or representatives of Moss Adams will be present at the Meeting and will be available to respond to appropriate questions. All professional services rendered by Moss Adams concerning the fiscal year ended December 31, 2010 were furnished at customary rates and terms.

**Fees**

The aggregate fees billed to the Company for the fiscal years ended December 31, 2010 and 2009 by Moss Adams were as follows:

	<b>2010</b>	<b>2009</b>
Audit Fees	\$42,000	\$44,000
Tax Fees	10,850	19,669
All Other Fees	0	9,300
Total Fees	<u>\$52,850</u>	<u>\$73,169</u>

None of the fees paid to the independent accountants during 2010 and 2009 were paid under the de minimis safe harbor exception from pre-approval requirements. The Audit Committee has concluded the provision of the non-audit services listed above is compatible with maintaining the independence of Moss Adams.

In the event the shareholders fail to ratify the appointment, the Board will reconsider its selection. Even if the selection is ratified, the Board in its discretion may direct the appointment of a different independent accounting firm at any time during the year if the Board feels that such a change would be in the best interests of the Company and its shareholders. The affirmative vote of the holders of a majority of the Company's outstanding voting shares, present and represented by Proxy at the Annual Meeting and entitled to vote is required to ratify the selection of Moss Adams.

**Recommendation of the Board of Directors**

The Board recommends that the shareholders vote "FOR" the ratification of the selection of Moss Adams to serve as the Company's independent accountants for the year ending December 31, 2011.

ANNUAL REPORT TO SHAREHOLDERS

A copy of the Company's Annual Report to Shareholders for the year ended December 31, 2010 is being mailed concurrently with this Proxy Statement to all shareholders entitled to notice of and to vote at the Annual Meeting. The Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material.

OTHER MATTERS

Management does not know of any matters to be presented at the Meeting other than those set forth above. However, if other matters properly come before the Meeting, it is the intention of the Proxy Holders to vote said Proxy in accordance with the recommendations of the Board of Directors, and authority to do so is included in the Proxy.

DATED: April 20, 2011

Bank On It, Inc.

Rudy G. Croce  
Chairman of the Board

**IMPORTANT MESSAGE ABOUT ANNUAL MEETING MATERIALS**

This Notice of Annual Meeting & Proxy Statement and the Company's 2010 Annual Report are also available at: [www.cbsjbank.com/shareholders/index.shtml](http://www.cbsjbank.com/shareholders/index.shtml)

**IMPORTANT MESSAGE ABOUT VOTING YOUR SHARES**

NYSE and SEC rule changes were enacted changing how shares held in brokerage accounts are voted in director elections. If you do not vote your shares on proposal one (Election of Directors), your brokerage firm can no longer vote them for you; your shares will remain unvoted. Previously, if your broker did not receive instruction from you, they were permitted to vote your shares for you in director elections. However, starting January 1, 2010, under changes to NYSE Rule 452, brokers were no longer allowed to vote uninstructed shares.

Although the Company's common stock is not listed on the NYSE, this rule impacts the Company because brokers who are NYSE members must follow Rule 452. Therefore, it is very important that you vote your shares for all proposals including the election of directors.

*Directions for  
Annual Meeting of Shareholders  
of Bank On It, Inc.*

Thursday, May 26, 2011  
5:30 p.m.

at  
The Haggin Museum  
(209) 940-6300  
Victory Park, 1201 North Pershing Avenue, Stockton, CA 95203



*Handicapped parking and access is available.  
Please call (209) 955-8746 to make arrangements.*



**22 West Yokuts Ave.  
Stockton, CA 95207-5715  
Tel: (209) 956-7000  
Fax: (209) 956-7720**

**[www.cbsjbank.com](http://www.cbsjbank.com)**

A Subsidiary of Bank On It, Inc.