



**Desert
Commercial
Bank**

January 2010

Dear Shareholder:

Welcome to 2010! The completed Private Offering Stock Sale at the end of 2009 helped Desert Commercial Bank end its year on an incredibly positive note. Our shareholders invested \$5,318,895 in new capital for the Bank, increasing the number of outstanding common shares from 2,231,956 to 4,004,921. Additionally, 354,593 warrants were issued with the potential, if exercised, to add \$2,304,854 to \$2,570,799 in new equity. The year-end book value per share was \$4.31 and the market price has ranged from \$2.75 to \$3.00.

The regulatory minimums compared to the Bank at year-end are:

	Regulatory Minimum	DCBC
Tier 1 Capital to Average Assets	5%	11.85%
Tier 1 Capital to Risk Weighted-Assets	6%	14.72%
Total Risk Based Capital to Risk-Weighted Assets	10%	15.99%

These numbers give us the ability to grow and we are underway with new loan products, strong internal marketing programs and re-energized Advisory Boards to accomplish that goal. Note that we will be announcing the completed Capital Raise and new Advisory Boards in the local papers in the very near future. Please stay tuned for further communications, including news about our annual meeting in late spring.

The Board, management and employees want you to know how serious we take your additional investment in our Bank. The support and confidence you have shown in a very difficult financial environment has made us more committed than ever to produce positive results and enhance shareholder value.

If you have any questions or comments you would like to share, please call Tony Swartz at (760) 340-7595.

Very best regards,

Tony J. Swartz, President & CEO

Max Briggs, Chairman