



**Desert
Commercial
Bank**

June, 2010

Dear Shareholder,

Desert Commercial Bank continues to have exciting news!

Second quarter net profit increased \$159,000 over the first quarter totaling \$233,000 year to date. Total earnings improvement from second quarter 2009 was approximately \$2,092,000. Improvements are primarily the result of \$667,000 interest expense reduction, provision for credit losses of \$361,000 and non-interest expenses of \$863,000. These improvements are directly related to better asset quality and lower interest rates on deposits.

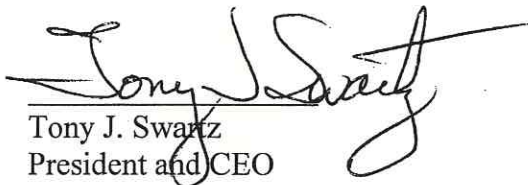
Demand for loans has risen in the past few months along with quality of these requests. The loan to deposit ratio of 84.9%, as of June 30, 2010, is indicative of increased loan production. Earnings continue to increase while the Bank remains liquid and well capitalized.

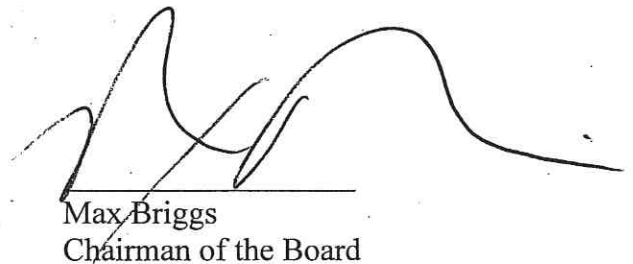
The Bank announced its new Mobile Banking Product during the last quarter and provides our customers with state of the art access to Desert Commercial Bank from any location where a cell signal is available along with internet access.

The Advisory Board members are working diligently to acquire new business for the bank and have produced deposits of over \$6,500,000 since the first of the year. We are proud of our teams and send congratulations and thank them for their accomplishments.

The Board of Directors and management are working hard to achieve our goals for 2010. With the continued support of our shareholders, customers and community supporters we are well on our way.

Very Best Regards,


Tony J. Swartz
President and CEO


Max Briggs
Chairman of the Board