



750 B Street, Suite 3110
San Diego, CA 92101
(619) 329-6565

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 27, 2020**

This year our annual meeting is being held in our main office rather than at a hotel or other facility, as large gatherings are not permitted at this time. In addition, to protect the safety of shareholders who attend, we do not anticipate any pre- or post- meeting socializing. If more shareholders personally attend than our space safely permits, we will adjourn the annual meeting to another time and place as permitted by our bylaws. For these reasons, although you have the right to attend the meeting in person, we strongly suggest that you not do so. Should you wish to hear the proceedings of the meeting, a conference call line will be provided so you can listen in (you will not be able to ask questions) at the following website: www.envisionreports.com/EDVR

TO THE SHAREHOLDERS OF ENDEAVOR BANK:

NOTICE IS HEREBY GIVEN that the 2020 Annual Meeting of Shareholders (the “**Meeting**”) of Endeavor Bank (the “**Bank**”) will be held at the main branch located at Symphony Tower, 750 B Street, Suite 3110, San Diego, CA 92101, on Wednesday, May 27, 2020, beginning at 9:00 a.m. (local time).

At the Meeting the shareholders will be asked to consider and act upon the following proposal(s) and such other matters as may properly come before the Meeting and any continuations or adjournments thereof:

1. **ELECTION OF DIRECTORS.** To elect the following eight (8) nominees to serve as directors on the Bank’s board of directors (the “**Board of Directors**”) until the next annual meeting of shareholders and until their respective successors are elected and have been qualified:

Julie P. Dubick	Matthew H. Rattner
Joyce A. Glazer	Steven D. Sefton
James W. Ledwith	Christopher J. Woolley
Lorne R. Polger	Dan C. Yates

2. **RATIFICATION OF AUDITORS.** To ratify the appointment of the Bank’s independent auditors, Eide Bailly LLP, for the year ending December 31, 2020.

3. **OTHER BUSINESS.** To transact such other business as may properly come before the Meeting and at any continuations or adjournments thereof.

The Board of Directors has fixed the close of business on March 31, 2020, as the record date for determination of shareholders entitled to notice of, and the right to vote at, the Meeting.

A SHAREHOLDER MEETING NOTICE HAS BEEN SENT BY MAIL (OR EMAIL IF YOU HAVE ELECTED ELECTRONIC DELIVERY) TO YOU BY OUR TRANSFER AGENT. THAT NOTICE CONTAINS A 15-DIGIT CONTROL NUMBER YOU WILL NEED TO VOTE YOUR SHARES. PLEASE READ IT CAREFULLY AND FOLLOW THE INSTRUCTIONS.

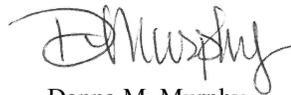
YOUR VOTE IS IMPORTANT AND WE STRONGLY ENCOURAGE YOU TO VOTE PROMPTLY AND RETURN YOUR PROXY.

Important notice regarding Internet availability of proxy materials: This proxy statement and our Annual Report for the fiscal year ended December 31, 2019 are available at the following website: www.envisionreports.com/EDVR (the “Meeting Website”). You can also vote your shares on the Meeting Website using the 15-digit control number contained in the Shareholder Meeting Notice sent to you.

With regard to the election of directors, please note the following provision of the Bank’s bylaws:

“Nominations for election of directors may be made by the Board or by any shareholder of any outstanding class of capital stock of the Corporation entitled to vote for the election of directors. Notice of intention to make any nominations (other than for persons named in the notice of the meeting at which such nomination is to be made) shall be made in writing and shall be delivered to the Chief Executive Officer of the Corporation by the later of the close of business twenty-one (21) days prior to any meeting of shareholders called for the election of directors or seven (7) days after the date of mailing of notice of the meeting to shareholders. 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 capital stock of the Corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; (f) with the written consent of the proposed nominee, a copy of which shall be furnished with the notification, whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offence involving dishonesty or breach of trust, filed a petition in bankruptcy, or been adjudged bankrupt. The notice shall be signed by the nominating shareholder and by the nominee. Nominations not made in accordance herewith shall be disregarded by the Chairman of the meeting and upon his instructions, the inspectors of election shall disregard all votes cast for each such nominee. A copy of this Section shall be set forth in the notice to shareholders of any meeting at which directors are to be elected.”

By Order of the Board of Directors,



Danna M. Murphy
Corporate Secretary

April 27, 2020
San Diego, California



750 B St #3110
San Diego, CA 92101
(619) 329-6565

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 27, 2020

INFORMATION CONCERNING PROXY

In this Proxy Statement (this “**Proxy Statement**”) the terms “**Bank**,” “**us**,” “**we**,” “**ours**,” and similar expressions refer to Endeavor Bank. This Proxy Statement is furnished in connection with the solicitation of proxies for use at the 2020 Annual Meeting of Shareholders of the Bank to be held at the main branch located at Symphony Tower, 750 B Street, Suite 3110, San Diego, CA 92101, on Wednesday, May 27, 2020, beginning at 9:00 a.m. (local time), and at any continuations and adjournments thereof (the “**Meeting**”). The Bank expects to make this Proxy Statement, and the form of proxy and notice available at www.envisionreports.com/EDVR (the “**Meeting Website**”), on or about April 27 2020, to shareholders of record as of the close of business on March 31, 2020. Each shareholder has been sent by mail (or email if previously authorized by the shareholder) a Shareholder Meeting Notice (the “**Shareholder Meeting Notice**”) containing a 15-digit control number that will be needed to vote. The matters to be considered and voted upon at the Meeting, and at any continuations or adjournments thereof, will be:

1. **ELECTION OF DIRECTORS**. To elect the following eight (8) nominees to serve as directors on the Bank’s board of directors (the “**Board of Directors**” or the “**Board**”) until the next annual meeting of shareholders and until their respective successors are elected and have been qualified:

Julie P. Dubick
Joyce A. Glazer
James W. Ledwith
Lorne R. Polger

Matthew H. Rattner
Steven D. Sefton
Christopher J. Woolley
Dan C. Yates

2. **RATIFICATION OF AUDITORS**. To ratify the appointment of the Bank’s independent auditors, Eide Bailly LLP, for the year ending December 31, 2020.

3. **OTHER BUSINESS**. To transact such other business as may properly come before the Meeting and at any continuations or adjournments thereof.

ANNUAL MEETING QUESTIONS AND ANSWERS

How do I attend the Meeting?

You will be able to attend the Meeting in person at the main branch located at Symphony Tower, 750 B Street, Suite 3110, San Diego, CA 92101, on Wednesday, May 27, 2020, beginning at 9:00 a.m. (local time).

However, **we strongly suggest that you not attend the Meeting in person.** Our location may not permit appropriate “social distancing” and at the time of the Meeting large gatherings may not be permitted by applicable law or regulation. You may listen to the meeting on a conference call line that we will identify at the following website, but you will not be able to participate in the Meeting on that conference call line. The conference call number is posted on the Meeting Website (www.envisionreports.com/EDVR).

Who can vote at the Annual Meeting?

Only our shareholders of record at the close of business on the record date, or their legal proxy holders, are entitled to vote at the Meeting. The record date for the Meeting is March 31, 2020. There were 3,357,561 shares of common stock outstanding and entitled to vote on the record date.

What am I voting on?

There are two matters scheduled for a vote.

- Proposal 1: Election of the eight (8) nominees to serve as directors named in this Proxy Statement to hold office until the next annual meeting of shareholders and until their respective successors are elected and have been qualified
- Proposal 2: Ratification of the appointment of the Bank’s independent auditors, Eide Bailly LLP, for the year ending December 31, 2020

How do I vote?

Although you have the right to vote at the Meeting in person, we strongly encourage you to vote your shares by simply following the instructions on the Shareholder Meeting Notice sent to you to vote via the Internet, by telephone or by mail. Even if you intend to attend the Meeting in person, we strongly encourage you to vote your shares in advance of the Meeting to ensure that your vote will be represented at the Meeting.

Shareholder of Record: Shares Registered in Your Name

If, on the record date, your shares were registered directly in your name with our transfer agent, Computershare, then you are a shareholder of record and you may vote as follows.

- **By Phone:** Dial toll-free 1-800-652-VOTE (8683) using any touch-tone telephone and follow the recorded instructions. You will need the 15-digit control number located in the shaded bar on the Shareholder Meeting Notice.
- **By Internet:** At the Meeting Website, www.envisionreports.com/EDVR. You will need the 15-digit control number located in the shaded bar on the Shareholder Meeting Notice.
- **By Mail:** You must request a paper copy of the proxy materials, then complete, sign and date the proxy card delivered to you and return it promptly as indicated on the proxy card.
- **During the Annual Meeting – In Person (personal attendance is not recommended):** You may attend the Meeting in person and vote at that time by delivery of a proxy card or written ballot we will provide at that time. You will need the 15-digit control number located in the shaded bar on the Shareholder Meeting Notice in order to vote in this manner.

The proxy holders identified in the proxy card will vote all shares of our stock represented by a properly completed and executed proxy received in time for the Meeting in accordance with each shareholder’s instructions. If you submit your executed proxy but do not fill out the voting instructions on the proxy card, the shares represented by your proxy will be voted “FOR” each of the director nominees identified in this Proxy Statement and “FOR”

Proposal 2. If any other matter is properly presented at the Meeting, the proxy holders will vote shares represented by a proxy submitted by a shareholder in accordance with the recommendation of our Board.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If, on the record date, your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in “street name.” The organization holding your shares is considered to be the shareholder of record for purposes of the Meeting. As a beneficial owner, you have the right to direct the organization holding your shares regarding how to vote such shares. You should have received a notice containing voting instructions from the organization that holds your shares. Follow the instructions provided by that organization to ensure that your vote is counted. If you wish to vote in person at the Meeting, you must obtain a legal proxy from the organization that holds your shares. A legal proxy is a written document that authorizes you to vote your shares held in street name at the Meeting. Please contact the organization that holds your shares for instructions regarding obtaining a legal proxy.

We provide internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions, however, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

What happens if I do not vote?

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record and do not vote by completing your proxy card, by telephone, through the Internet or during the Meeting, your shares will not be voted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If your shares are held in street name, the bank, broker or other nominee that holds your shares has the authority to vote your shares only on certain of the proposals set forth in this Proxy Statement without receiving voting instructions from you. If you hold your shares in street name and you do not submit voting instructions to the organization that holds your shares, that organization may exercise its discretion to vote your shares on Proposal 2 but will not be permitted to vote your shares on Proposal 1.

We strongly encourage you to provide voting instructions to your bank, broker or other nominee. This ensures your shares will be voted at the Meeting and in the manner you desire. A “broker non-vote” will occur if your broker cannot vote your shares on a particular matter because it has not received instructions from you and does not have discretionary voting authority on that matter or because your broker chooses not to vote on a matter for which it does have discretionary voting authority.

Can I change my vote after submitting my proxy?

Shareholder of Record: Shares Registered in Your Name

Yes. If you are a shareholder of record, you may revoke your proxy and change your vote at any time before the taking of the vote at the Meeting in any one of the following ways:

- **By Phone:** By using the phone voting method described above, in which case only your latest telephone proxy submitted prior to the Meeting will be counted.
- **By Internet:** By using the online voting method described above, in which case only your latest Internet proxy submitted prior to the Meeting will be counted.
- **By Mail:** By signing and returning a new proxy card or voting instruction form dated as of a later date, in which case only your latest proxy card or voting instruction form received prior to the Meeting will be counted.
- **During the Meeting (personal attendance is not recommended):** We strongly encourage you not to attend the Meeting in person, but if you do so, you can vote your shares at the Meeting as described above. Your attendance at the Meeting will not automatically revoke your proxy unless you properly vote during the Meeting or specifically request that your prior proxy be revoked by delivering a written notice of revocation prior to the Meeting to the Bank’s Corporate Secretary at 750 B Street, Suite 3110, San Diego, California 92101, Attention: Corporate Secretary, or hand-delivered to the chairman of the Meeting at or before the taking of the vote at the Meeting.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares held in street name, you should follow the instructions provided by the brokerage firm, bank, dealer or other similar organization that holds your shares.

How many votes are required to approve each proposal?

Election of Directors

If a quorum is present at the Meeting, the election of directors will be determined by a plurality of the votes cast by the shareholders entitled to vote on the election, unless at least one shareholder elects to cumulate votes for directors. Accordingly, the eight (8) nominees receiving the most “FOR” votes from the holders of shares present during the Meeting or represented by proxy and entitled to vote on the election of directors will be elected.

You may vote “FOR” or “WITHHOLD” authority to vote for each of the director nominees. If you “WITHHOLD” authority to vote with respect to one or more director nominees, your vote will have no effect on the election of such nominees. Broker non-votes will have no effect on the election of directors.

Each shareholder of record as of the record date is entitled to cast one vote for each share of the Bank’s common stock held on each matter to come before the Meeting, except that shareholders may have cumulative voting rights with respect to the election of directors. Cumulative voting allows a shareholder to cast a number of votes equal to the number of directors to be elected multiplied by the number of votes held in such shareholder’s name on the record date. This total number of votes may be cast for one nominee or may be distributed among as many nominees as the shareholder desires. If shares are voted cumulatively, the nominees receiving the highest number of votes up to the number of directors to be elected will be elected. Under California law and the Bylaws of the Bank, no shareholder can cumulate votes unless, prior to voting at the Meeting, a shareholder has given notice of his or her intention to cumulate his or her votes at the Meeting. If any shareholder properly gives such notice, then all shareholders may cumulate their votes for candidates in nomination. The Board of Directors does not, at this time, intend to give such notice or to cumulate the votes it may hold pursuant to the proxies solicited herein unless the required notice by a shareholder is given, in which event votes represented by proxies delivered pursuant to this Proxy Statement may be cumulated at the discretion of the proxy holders, in accordance with the recommendation of the Board of Directors. Therefore, discretionary authority to cumulate votes in such event is solicited in this Proxy Statement.

Ratification of Appointment of Independent Auditor

If a quorum is present at the Annual Meeting, the approval of Proposal 2 requires the affirmative vote of a majority of the votes cast with respect to such proposal, meaning the number of shares voted “FOR” such proposal must exceed the number of shares voted “AGAINST” such proposal. You may vote “FOR,” “AGAINST” or “ABSTAIN” from voting on Proposal 2. If you “ABSTAIN” from voting with respect to Proposal 3, your vote will have no effect on its outcome. Broker non-votes will have no effect on the vote for Proposal 2, however, a broker or other nominee may generally vote in their discretion on routine matters and therefore broker non-votes are not expected on Proposal No. 2, a routine matter.

What is the quorum requirement?

A quorum is necessary to hold the Meeting. A quorum will be present if the holders of a majority in voting power of the shares of our common stock outstanding and entitled to vote at the Meeting are present during the Meeting or represented by proxy.

Your shares will be counted for purposes of determining if there is quorum if you are entitled to vote and you are present during the Meeting or you have properly voted by proxy online, by phone or by submitting a proxy card or voting instruction form by mail. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present.

If a quorum is not present, we may propose to adjourn the Meeting to solicit additional proxies and reconvene the Meeting at a later date.

What does it mean if I receive more than one set of Proxy Materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or held in different registered accounts. Please follow the voting instructions in each set of proxy materials to ensure that all of your shares are voted.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. Our directors and employees may solicit proxies in person, by telephone, or by other means of communication. None of our directors or employees will be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks, dealers and other similar organizations for the cost of forwarding proxy materials to beneficial owners.

PROPOSAL 1 ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

The Bylaws of the Bank provide that the number of authorized directors of the Bank shall be not less than seven (7) nor more than thirteen (13), with the exact number of authorized directors to be fixed from time to time, within these limits, by approval of the Board of Directors or shareholders. The number of directors is presently fixed at nine (9) although the Board of Directors is nominating only eight (8) nominees. If eight (8) persons are elected at the Meeting, this will leave a vacancy unless and until filled in accordance with our Bylaws.

All eight (8) nominees named below are currently members of the Board of Directors. Each individual has been nominated by the Board of Directors for election as a director to serve until the next annual meeting of the shareholders and until the election and qualification of a successor, and has agreed to serve if elected. Proxy votes granted hereunder will be cast in such a way as to effect the election of all nominees or, in the event of cumulative voting, as many as possible under the rules of cumulative voting, according to the recommendation of the Board of Directors. If any nominee should become unable or unwilling to serve as a director, the proxy votes granted hereunder will be voted for such substitute nominee as the Board of Directors shall designate. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve. The eight (8) nominees receiving the highest number of affirmative votes at the Meeting will be elected.

The following table sets forth certain information regarding the director nominees. See “Security Ownership of Certain Beneficial Owners and Management,” below, for information pertaining to the stock ownership of each director nominee.

<u>Name and Title</u>	<u>Age</u>	<u>Year Elected or Appointed</u>
Julie P. Dubick Director	70	2017
Joyce A. Glazer Director	78	2017
James W. Ledwith Director	74	2017
Lorne R. Polger Director	57	2017
Matthew H. Rattner Director, Chairman of the Board	56	2017
Steven D. Sefton Director, President	59	2017
Christopher J. Woolley Director	61	2017
Dan C. Yates Director, Chief Executive Officer	59	2017

Business Experience and Background of the Director Nominees

Julie P. Dubick. Ms. Dubick is an attorney who served with the United States Department of Justice and United States Marshals Service and as a partner in the law firm of Seltzer Caplan McMahon Vitek. Since September 2014, Mrs. Dubick has served as an independent management consultant through HG Consulting Group, LLC. In that capacity, she provides in-depth stakeholder and public engagement, long-term strategic planning and community dialogue advisory services on a wide range of issues for corporate, public and nonprofit organizations. Since June 2014, she has also taught as an Adjunct Professor of Law at California Western School of Law in San Diego. From April 2012 to March 2014, Ms. Dubick served as CEO of the Balboa Park Centennial Celebration. From July 2010 to January 2012 she served as Chief of Staff for San Diego Mayor Jerry Sanders, and prior to that held other senior positions in that administration. Ms. Dubick serves on the boards of a number of local and regional nonprofit organizations. Ms. Dubick holds a Bachelor of Arts degree from Mount Holyoke College and received her Juris Doctor degree from Case Western Reserve School of Law, where she graduated with honors.

Joyce A. Glazer. Ms. Glazer has been an active member of the San Diego community, serving with distinction on a number of civic and charitable boards of directors over more than thirty years. Since 2000 and until her retirement in 2018, Ms. Glazer was a contributing writer at San Diego Magazine, writing a monthly column and a weekly blog for the magazine. She continues to serve as the Production Manager for Charitable Giving Guide and manages Woman of the Year and several events at the magazine. She served as a Founding Director of San Diego Private Bank from August 2006 to May 2013, and on the US Bank San Diego Region advisory board from January 2002 to August 2006. Prior to relocating to San Diego in 1989, she was a Vice President of Norwest Bank in Des Moines, Iowa with public relations and public affairs responsibilities. Ms. Glazer is a board member of San Diego Downtown Partnership.

James W. Ledwith. Mr. Ledwith is a retired Certified Public Accountant with over 40 years of audit and diversified public accounting experience, serving clients in a variety of industries including banking. Mr. Ledwith served on the Board of San Diego Trust Bank from its inception in 2003 until its sale to Pacific Premier Bank in 2013. He also served as a director of Inseego Corporation, (formerly Novatel Wireless, Inc.) where he chaired the Audit Committee and was a member of the Executive Compensation and Corporate Governance Committees. He was a director of that company from 2008 to 2017 and was its Lead Independent Director from 2012 to 2014. He has also served on the boards of directors for several nonprofit organizations. Mr. Ledwith received a Bachelor of Science in Business Administration degree from Babson College and an MBA from the Wharton Graduate Division of the University of Pennsylvania.

Lorne R. Polger. Mr. Polger is the Co-Founder and Senior Managing Director of Pathfinder Partners, LLC, a real estate private equity firm he co-founded in San Diego in June 2006. Pathfinder has acquired over \$1 billion in real estate assets primarily in the western United States. Mr. Polger focuses on acquisitions, dispositions, and business and legal strategies. Mr. Polger practiced real estate law for more than 20 years, most recently as head of the Real Estate, Environmental and Land Use team at Procopio, Cory, Hargreaves & Savitch, LLP, from December 1999 to June 2007. Mr. Polger graduated with a Bachelor of Arts degree in Political Science from Colorado College, Cum Laude, and earned his law degree from UCLA.

Matthew H. Rattner. Mr. Rattner is a co-founder of Karl Strauss Brewing Company (“KSBC”). KSBC operates as a limited partnership. Mr. Rattner has served as an officer and a director of Associated Microbreweries, Inc., the general partner of KSBC, since its inception in 1988. Mr. Rattner has served on the Communications Committee of the National Brewer’s Association, the Board of Directors for the San Diego Brewer’s Guild, and has been an advocate for craft beer in San Diego for over 25 years. Mr. Rattner is also a commercial real-estate investor, with over \$100 million in transactions, in which he has acted as principal and syndicator. Mr. Rattner is a graduate of Stanford University, where he holds a Bachelor of Arts degree in Economics with Distinction and a Master of Science degree in Industrial Engineering. He also holds an MBA from Stanford Graduate School of Business, where he first helped develop the craft brew concept for what would become Karl Strauss Brewing Company.

Steven D. Sefton. Mr. Sefton has over 36 years of banking experience in Southern California, including responsibility for management of multiple offices and more than \$650 million in assets as CEO for Regents Bank, a commercial banking division of Grandpoint Bank. Mr. Sefton joined Regents Bank, N.A. in 2012 and acted as its President and CEO until its merger with and into Grandpoint Bank in 2013. As a result of the merger he became President of Regents Bank, the largest division of Grandpoint Bank in terms of loans, deposits and earnings. In 2012 and 2013, Mr. Sefton was responsible for the integration of recently acquired Escondido-based California Community Bank into Regents Bank, which increased the employees under his supervision from approximately 60 to 110, and the number of San Diego offices from four to eight. He subsequently managed the closing of four offices and related reduction in force to increase profitability. Mr. Sefton separated from Regents Bank in June 2017 to join the Bank as

its President. From June 2017 through the commencement of banking operations in January 2018, Mr. Sefton was compensated as a consultant to CBB Venture Group, LLC, an entity formed for the purpose of organizing the Bank. Mr. Sefton is currently a board member of Banker Benefits of the California Bankers Association. Mr. Sefton is also a member of the Salvation Army Advisory Board, serving on the finance committee, and a Board member of The San Diego Foundation, also serving on its finance committee. Mr. Sefton received a Bachelor's Degree in Finance from The University of Texas at Austin in 1984.

Christopher J. Woolley. Mr. Woolley is a business advisor, mentor, and investor in a variety of companies and funds. From 1990 through 2005, Mr. Woolley held various senior business banking positions with Wells Fargo, Imperial Bank, and Comerica Bank. In 2005, Mr. Woolley co-founded de novo business bank Square 1 Bank, where he served in several executive management positions and was responsible for managing and growing the bank's national life science practice as well as its Western US technology practice. At various times, he had executive oversight for practices in San Diego, Orange County, Los Angeles, Palo Alto, Seattle, Denver, Austin, Houston, Chicago, Boston, and North Carolina. Square 1 went public in 2014 and was sold to PacWest Bancorp in 2015. He is a past Board Member and President of the San Diego Venture Group, he served for 10 years on the Board and Executive Committee of Biocom, and he is a graduate of LEAD San Diego. Mr. Woolley holds a California CPA certificate (currently inactive). He graduated *summa cum laude* from the University of California Santa Barbara with a degree in Business Economics.

Dan C. Yates. Mr. Yates has more than 40 years of experience in the banking industry, including as president or chief executive officer of four community banks, including the Bank. Mr. Yates has served as Chief Executive Officer of the Bank since June 12, 2017. From June 2017 through the commencement of banking operations in January 2018, Mr. Yates was compensated as a consultant to CBB Venture Group, LLC, an entity formed for the purpose of organizing the Bank. Mr. Yates served as President and CEO of Neighborhood National Bank, from January 1, 2014 until his separation from that bank in May 2017. He led the successful effort to recapitalize that bank and improve its asset quality. Before being named President and CEO of Neighborhood National Bank, Mr. Yates served as a consultant to that bank from October 15, 2013 to January 1, 2014. Mr. Yates previously served 12 years as CEO of Regents Bank, N.A. in San Diego County, followed by a year as President of Grandpoint Bank. In September of 2001, Mr. Yates co-founded Regents Bank and during his tenure he built and led the team that grew the bank into the fifth largest locally headquartered bank in San Diego County, with over \$620 million in assets. From 2003 to 2012 Mr. Yates served as a Director of National Technical Systems, Inc. ("NTS") a diversified technical services company that was previously traded on Nasdaq with annual revenues of \$185 million as of 2012. Since 2014, Mr. Yates has been a board member of the Western Bankers Association, and the California Bankers Association prior to the merger that created the Western Bankers Association. He has served on the boards of several San Diego charitable and civic organizations. Mr. Yates obtained his Bachelor of Arts degree in Finance from San Diego State University in 1982.

Arrangements for Nomination

The Bank's employment agreements with Mr. Yates and Mr. Sefton express the intention of the Board that they each be nominated to serve on the Board during the terms of their respective employment agreements.

Recommendation

THE BOARD OF DIRECTORS URGES YOU TO VOTE "FOR" PROPOSAL 1: TO ELECT THE EIGHT (8) NOMINEES SET FORTH ABOVE TO SERVE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND UNTIL THEIR RESPECTIVE SUCCESSORS HAVE BEEN ELECTED AND HAVE BEEN QUALIFIED. THE BOARD OF DIRECTORS INTENDS TO VOTE ALL PROXIES HELD BY IT IN FAVOR OF ELECTION OF EACH OF THE NOMINEES LISTED IN THIS PROXY STATEMENT.

PROPOSAL 2 RATIFICATION OF THE APPOINTMENT OF THE AUDITORS

(Item 2 on Proxy Card)

The audit committee of the Bank has reappointed Eide Bailly LLP ("EB") (formerly Vavrinek, Trine, Day & Co., LLP), to continue as our independent auditors for the year ending December 31, 2020. The Bank's bylaws do not require that the shareholders ratify the selection of EB as our independent auditors. However, the selection of EB is being submitted to the Bank's shareholders for ratification as a matter of good corporate practice. If the shareholders

do not ratify the selection, the audit committee will reconsider whether or not to retain EB. Even if the selection is ratified, the audit committee in its discretion may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Bank and its shareholders.

Representatives of EB will be present at the Meeting. They will be given an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from shareholders present at the Meeting.

Required Vote

Assuming a quorum is present, the appointment of EB as our independent auditors for the fiscal year ending December 31, 2020 will be ratified by the shareholders if a majority of the votes cast are “FOR” the proposal. Abstentions and broker non-votes (if any) will not have any effect on the outcome of this proposal.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF EB TO SERVE AS OUR INDEPENDENT AUDITORS.

OTHER MATTERS

Management is not aware 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 recommendations of the Board of Directors, and authority to do so is included in the proxy.

BUSINESS EXPERIENCE OF EXECUTIVE OFFICERS

The following is a brief summary of the background and business experience, including principal occupation, during the last five years, the Bank’s executive officers who are not members of the Bank’s Board.

Danna M. Murphy, Executive Vice President, Chief Financial Officer, and Corporate Secretary. Ms. Murphy has over 22 years of experience in community banking, financial services, and financial institution regulation. Ms. Murphy commenced service with the Bank as its Director of Accounting on May 13, 2019, following the announcement by Robert J. Lampert, the Bank’s original Chief Financial Officer, that he would be leaving the Bank. She was appointed as Executive Vice President, Chief Financial Officer, and Corporate Secretary on June 26, 2019, after receipt of required regulatory approvals. Prior to joining the Bank, Ms. Murphy served as Executive Vice President, Chief Accounting Officer at Commercial Bank of California, based in Irvine, from January 2019 through May 2019. She also served as Vice President of Finance for the San Diego-based online internet mortgage lender, American Internet Mortgage, Inc. (Aimloan.com) from January 2018 through August 2018. Ms. Murphy held the positions of Risk Management Officer, Chief Financial Officer, and Chief Operating Officer during her tenure with Capital Bank, based in San Juan Capistrano, from its opening in 2008 through its sale to Seacoast Commerce Bank in 2017. Prior to Capital Bank, Ms. Murphy also served as the Chief Financial Officer of San Diego Trust Bank and Southwest Community Bank, both based in San Diego. After earning a Bachelor of Science degree in Business Administration - Finance from San Diego State University, where she graduated Cum Laude and with distinction in the field of Finance, Ms. Murphy joined the Federal Deposit Insurance Corporation where she became a Commissioned safety and soundness Bank Examiner. Ms. Murphy is 54 years old.

Scott T. Parker, Executive Vice President and Chief Credit Officer. Mr. Parker has over 35 years of commercial banking experience, with a career including executive, C-level positions in a number of community banking institutions. Mr. Parker was appointed Executive Vice President and Chief Credit Officer of the Bank effective in November 2017. Prior to joining Endeavor Bank, he served as SVP and Regional Manager of the San Diego market for Pacific Mercantile Bank (“PMB”), based in Costa Mesa, California, a position he held from August 2014 through October 2017. Prior to his position at PMB, from August 2007 to February 2014, Mr. Parker served as President/CEO of Vibra Bank in Chula Vista, California, where he was a founding Director. Mr. Parker previously served as Chief Credit Officer with Rancho Bernardo Community Bank in San Diego, California. He earned an MBA in Finance from San Diego State University, and is a Graduate of the Pacific Coast Banking School in Seattle, Washington. Mr. Parker is 59 years old.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 31, 2020, pertaining to beneficial ownership of the Bank's common stock by each director, nominee and executive officer of the Bank, and all 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. All shares are held with sole voting and investment power except as to spousal or community property rights or as otherwise indicated. All directors and executive officers may be contacted in care of the Bank at 750 B St #3110, San Diego, California 92101. The term "executive officer" refers to the Bank's Chief Executive Officer, President, Chief Credit Officer and Chief Financial Officer.

	Common Stock Beneficially Owned ⁽¹⁾ On March 31, 2020	
Name	Number of Shares	Percentage of Shares Outstanding
<i>Directors, Nominees & Executive Officers</i>		
Julie P. Dubick	25,181 ⁽²⁾	0.75%
Joyce A. Glazer	28,491 ⁽³⁾	0.85%
James W. Ledwith	39,416 ⁽⁴⁾	1.17%
Danna M. Murphy	0	0.00%
Scott T. Parker	31,859 ⁽⁵⁾	0.94%
Lorne R. Polger	18,840 ⁽⁶⁾	0.56%
Matthew H. Rattner	126,813 ⁽⁷⁾	3.74%
Steven D. Sefton	99,459 ⁽⁸⁾	2.92%
Christopher J. Woolley	36,408 ⁽⁹⁾	1.08%
Dan C. Yates	105,510 ⁽¹⁰⁾	3.08%
Directors and Executive Officers as a group (10 persons)	511,977 ⁽¹¹⁾	14.28%

- (1) Included as outstanding for purposes of this calculation are 3,357,561 shares of common stock outstanding as of March 31, 2020 plus, in the case of each particular holder, the shares of common stock subject to options, warrants, or other instruments exercisable for or convertible into shares of common stock within 60 days after March 31, 2020 held by that person, which instruments are specified by footnote. Shares issuable as part or upon exercise of outstanding options, warrants, or other instruments other than as described in the preceding sentence are not deemed to be outstanding for purposes of this calculation.
- (2) Includes 8,333 shares that may be acquired through exercise of stock options.
- (3) Includes 8,333 shares that may be acquired through the exercise of stock options.
- (4) Includes 10,416 shares that may be acquired through exercise of stock options.
- (5) Includes 26,685 shares that may be acquired through exercise of stock options.
- (6) Includes 6,666 shares that may be acquired through exercise of stock options.
- (7) Includes 33,333 shares that may be acquired through exercise of stock options.
- (8) Includes 53,371 shares that may be acquired through exercise of stock options; also includes 5,000 shares held by Mr. Sefton's spouse, as to which he disclaims beneficial ownership except for any community property interest he may have, and 20,000 shares as to which voting and investment power is shared.
- (9) Includes 8,333 shares that may be acquired through exercise of stock options.
- (10) Includes 71,162 shares that may be acquired through exercise of stock options.
- (11) Includes 226,632 shares that may be acquired through exercise of stock options.

BOARD OF DIRECTORS AND COMMITTEES

Board of Director Meetings

Our business affairs are managed by and under the direction of our Board of Directors. During 2019, our Board of Directors held twelve regular and two special meetings. During 2019, each director attended at least 75% of the aggregate of (i) the total number of board meetings held during such member's service and (ii) the total number of meetings of committees of our board of directors on which he or she served, during the period of such member's service.

Committees

The following are brief descriptions of each of the standing committees of the Board of Directors and the members of the committees. The executive officers may participate in all committees.

Audit Committee. The responsibilities of the audit committee include fulfilling duties delineated in the Bank's Audit Policy, serving as an independent body reporting to the full Board, attending regulatory examination, outside audit, and credit review meetings, selecting and appointing the independent registered Public Accounting firm for the financial audit, and supervising the audit function to verify that auditors, internal and external, are independent of Bank management and are objective in their findings. During the fiscal year ended December 31, 2019, the audit committee held a total of four regular meetings and one special meeting. The members of the audit committee are Julie P. Dubick, Joyce A. Glazer, James W. Ledwith (Chair) and Christopher J. Woolley.

Nominating Committee. The nominating committee is responsible for ensuring effective governance of the Bank by recommending to the Board appropriate candidates to serve as directors of the Bank. In carrying out this responsibility, the committee is empowered to review the composition, skills and qualifications of members of the Board, identify, evaluate and recruit candidates for any vacancies or newly created positions on the Board, and adopt processes for review of director performance. During the fiscal year ended December 31, 2019, the nominating committee held one meeting. The members of the nominating committee are Julie P. Dubick, Matthew H. Rattner, and Christopher J. Woolley (Chair).

Asset-Liability and Investment Committee. The primary responsibility of the asset-liability and investment committee is to fulfill duties required by the Bank's Asset-Liability and Funds Management, Investment, Capital, and Liquidity Contingency Policies (collectively, the ALCO policies). The ALCO policies contain specific guidelines, thresholds, and procedures related to managing the Bank's exposures to: (i) interest rate risk, (ii) market investment risk, (iii) liquidity risk, (iv) credit risk, and (v) capital risk. During the fiscal year ended December 31, 2019, the asset-liability and investment committee met four times. The members of the asset-liability and investment committee are James W. Ledwith, Lorne R. Polger, Matthew H. Rattner (Chair), Steven D. Sefton and Dan C. Yates.

Loan Committee. The loan committee's responsibilities include evaluating credit applications and making credit decision on credits above a certain dollar amount, establishing delegated credit authority limits for the CEO, CCO, and Management Loan Committee, establishing credit risk tolerances and ensuring that an adequate reserve has been provided against potential losses in the credit portfolio. The committee also oversees management's handling of credit risk, and management's procedures for recognizing adverse trends, identifying problems in the loan portfolio, and maintaining an adequate allowance for loan and lease losses. The committee also reviews and monitors compliance with all loan policies. During the fiscal year ended December 31, 2019, the loan committee held a total of 28 meetings. The members of the loan committee are James W. Ledwith, Lorne R. Polger (Chair), Steven D. Sefton, Christopher J. Woolley, and Dan C. Yates.

Human Resources/Governance Committee. The human resources/governance committee is appointed by the Board to assist the Board in overseeing the compensation and human resources programs, governance practices and management succession policy of the Bank. The committee's objectives are for the Bank compensation to be: (i) consistent with the strategic goals of the Bank, based on performance against predetermined goals, and internally equitable, and (ii) consistent with all regulatory requirements, designed to attract, motivate, retain and fully develop the executives and employees the Bank needs. The committee is also required to review and approve all titles, promotions, salary, employment agreements and performance based compensation for the CEO and the President of the Bank. It establishes and monitors personnel policies of the Bank and reviews and approves performance-based and other incentive plans and other employee benefits. During the fiscal year ended December 31, 2019, the human resources/governance committee held a total of seven meetings. The members of the human resources/governance committee are Julie P. Dubick, Joyce A. Glazer (Chair), and Christopher J. Woolley.

Enterprise Risk Management (ERM)/ Compliance Committee. The ERM/compliance committee is appointed by the Board to assist the Board in overseeing the Bank’s compliance with applicable federal and state banking and financial institution consumer laws, rules, and regulations. It formulates compliance and enterprise risk management plans and monitors systems to assure compliance. During the fiscal year ended December 31, 2019, the ERM/compliance committee held a total of four regular meetings and one interim meeting. The members of the ERM/compliance committee are Joyce A. Glazer, Matthew H. Rattner, Steven D. Sefton, and Dan C. Yates (Chair).

COMPANY DIRECTOR AND OFFICER COMPENSATION

Director and Organizer Compensation

No fees are expected to be paid to any directors of the Bank for their service as directors for the foreseeable future. No director’s fees were paid in 2018 or 2019 for service on the Board. However, on January 22, 2018, all directors were granted stock options under the Endeavor Bank 2017 Equity Incentive Plan (the “Plan”). No additional stock options or other equity-based compensation was provided to directors in 2019. The Board will consider payment of director fees from time to time in the future after consideration of the performance trends of the Bank, the profitability of the Bank, the time required of the directors to fulfill their responsibilities to the Bank, and other similar matters.

Once the Bank is no longer considered a *de novo* institution by the appropriate regulatory authorities, which the Bank believes will be three years after the Bank opened for business, and assuming no regulatory action has been taken which would preclude the following action, it is presently the intention of the Board to grant nonqualified options to all qualifying Bank organizers, including directors, to purchase the Bank’s common stock at an exercise price equal to the fair market value at the time of grant. All options granted to organizers, including directors, will be issued in accordance with the Plan. The number of options to be granted to organizers, including directors, after the *de novo* period, if any, shall be determined by the Board in its discretion. In making that determination, the Board may consider the amount of funds placed at risk by the organizer, the length of time such funds were placed at risk, and other factors deemed relevant by the Board.

At December 31, 2019, the Bank’s non-employee directors had stock options outstanding to purchase the following number of shares of the Bank’s common stock, all of which were granted on January 22, 2018:

Name	# of Shares Subject to Outstanding Options
Julie P. Dubick	12,500
Joyce A. Glazer	12,500
James W. Ledwith	15,625
Lorne R. Polger	10,000
Matthew H. Rattner	50,000
Christopher J. Woolley	12,500

All of the awards to non-employee directors are nonstatutory stock options granted under the terms of the Plan on January 22, 2018. The options vest in equal parts over three years from the date of grant and expire ten years after the date of grant unless earlier exercised or terminated under the terms of the Plan. Vesting ceases when a director ceases to be an employee, director or consultant, and the right to exercise the options ceases at that time, or within a time specified in the Plan thereafter, depending on the circumstances.

Executive Officer Compensation

Compensation Philosophy and Objectives

The Bank’s human resources/corporate governance committee’s philosophy and objectives for Bank compensation of executive officers are: (i) to be consistent with the strategic goals of the Bank, based on performance against predetermined goals, internally equitable and (ii) consistent with all regulatory requirements, to provide compensation designed to attract, motivate, retain and fully develop the executives and employees the Bank needs. Compensation of the executive officers is intended to reward the achievement of both short- and long-term operating and financial goals.

Elements of Executive Compensation

The Bank's executive compensation program has three primary elements: base salary, bonuses, and the potential for long-term equity incentives. These primary elements are supplemented by the opportunity to participate in other benefit plans that are generally available to all of the Bank's employees. The Board believes these components work together to provide a reasonable total compensation package for the Bank's executive officers.

Base Salary

The Bank provides its executive officers with base salaries, the minimum amounts of which are set forth in their employment agreements. The Board believes the base salaries provided will assist in retaining qualified leadership with strong banking experience in those positions. Because of the Board's desire to include elements of compensation that are performance-based, the Bank has established competitive base salary levels for each executive officer and may supplement that compensation with cash bonuses. In setting the salary levels for the individual named executives, the Board considered primarily the competitive pay practices at banks of similar size.

The amounts of the base salaries for each of the executive officers is described below under "Employment Agreements."

Bonuses

The human resources/governance committee has not established any bonus plan for 2019 or thereafter. Any bonuses paid by the Bank will be discretionary with the Board. Ms. Murphy received a signing bonus of \$5,000. Based upon 2019 performance, each of the named executive officers received a bonus in 2020.

Long-Term Equity Incentives

The Bank's 2017 Equity Incentive Plan (the "Plan") is intended to help retain employees and officers and align their interests with those of shareholders. Stock options have value to an employee only if the Bank's stock price increases above the option exercise price and the employee remains employed by the Bank for the period required to exercise the stock options. Stock options thus provide an incentive to improve performance and remain employed by the Bank, and directly link a portion of compensation to shareholders' interests by providing an incentive to maximize shareholder value. The human resources/governance committee oversees the administration of the Plan and specifically reviews and recommends to the Board any stock option and other grants, if any. In determining the size of any option award to recommend for an executive officer, the committee considers the officer's past performance and potential, the position held by the individual and the officer's annual base salary compensation.

The numbers of options presently granted to directors and named executive officers are described above under "Director Compensation," and below under "Equity Awards Outstanding." All of such options were granted on January 22, 2018, except that those granted to Ms. Murphy were granted on June 25, 2019.

Our Named Executive Officers

Under SEC rules and regulations, all individuals who served as our principal executive officers during 2019 and our two most highly compensated executive officers (other than our principal executive officer) who were serving as executive officers at the end of 2019 are referred to as our "named executive officers." Our Board of Directors has determined that the following individuals were our named executive officers for 2019 were:

Name	Title
Dan C. Yates	Chief Executive Officer
Steven D. Sefton	President
Scott T. Parker	Chief Credit Officer
Danna M. Murphy	Chief Financial Officer

Summary Compensation Table

The following table sets forth information concerning compensation during the years ended December 31, 2017, 2018 and 2019 awarded to, earned by or paid to our named executive officers.

**2017-2019 Summary Compensation Table
Named Executive Officers**

Name & principal position	Year	Salary (\$)⁽¹⁾	Bonus (\$)	Option awards (\$)⁽²⁾	All other compensation (\$)	Total (\$)
Dan C. Yates (CEO)	2017	162,270	0	0	9,200	171,470
	2018	250,000	0	407,939	23,239	681,178
	2019	273,611	20,000	0	25,630	319,241
Steven D. Sefton (President)	2017	28,125	0	0	94	28,219
	2018	221,875	0	305,953	21,281	549,109
	2019	225,000	20,000	0	24,869	269,869
Scott T. Parker (CCO)	2017	21,683	0	0	1,018	22,701
	2018	182,456	10,000 ⁽³⁾	152,975	18,691	364,122
	2019	194,444	17,550	0	19,392	231,386
Danna M. Murphy (CFO) ⁽⁴⁾	2019	114,545	14,949 ⁽⁵⁾	36,533	3,940	169,967

- (1) All the named executive officers other than Ms. Murphy served as officers during part of 2017, and were compensated for the portions of 2017 during which they were paid for services. All compensation paid to these named executive officers prior to January 22, 2018, when the Bank opened for business, was paid by CBB Venture Group, LLC, which was reimbursed for those payments by the Bank after the Bank opened for business. CBB Venture Group, LLC was formed for the purpose of organizing the Bank.
- (2) Option awards reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 using the Black-Scholes option pricing model with the following assumptions: As to the options granted to Messrs. Yates, Sefton and Parker, these reflect an exercise price of \$10.00, grant date market price of \$10.00, estimated volatility of 29.6%, expected term of 7.5 years, expected dividend yield of 0.00%, and risk free rate of 2.56%, resulting in a grant date fair value of \$3.82 per share subject to option. As to the options granted to Ms. Murphy, these reflect an exercise price of \$9.90, grant date market price of \$9.90, estimated volatility of 30%, expected term of 7.5 years, expected dividend yield 0.00%, and risk free rate of 1.93%, resulting in a grant date fair value of \$3.65 per share subject to option. The actual value that an executive officer may realize from an option award is contingent upon the satisfaction of the conditions to vesting of that award and future market conditions. Thus, there is no assurance that the value, if any, eventually realized by an executive officer will correspond to the amount shown.
- (3) This amount reflects the payment of a \$10,000 signing bonus per Mr. Parker's employment agreement.
- (4) Ms. Murphy commenced service as an employee of the Bank on May 13, 2019.
- (5) This amount reflects the payment of a \$5,000 signing bonus to Ms. Murphy.

Employment Agreements

Messrs. Yates, Sefton, and Parker each entered into employment agreements with the Bank effective as of January 22, 2018. Each has a three year term, subject to earlier termination by the officer or the Bank, but employment is "at will." Each employment agreement provides for the award of the stock options described below under "2018 Stock Option Awards and Equity Awards Outstanding." The executive officers are each provided with life insurance coverage of up to 1.5 times their initial base salary, increasing to up to \$1 million for Mr. Yates and Mr. Sefton after two quarters of profitability. Each is provided with the Bank's group medical, health, and life insurance benefits. Business related expenses are reimbursed by the Bank. Subject to applicable law, the Bank agrees to indemnify each executive for costs, charges and expenses incurred in connection with any action, suit or proceeding to which he may

be made a party by reason of being an officer, director or employee of the Bank or of any subsidiary or affiliate of the Bank.

The executive is entitled to severance pay in two circumstances. (i) in the event the Bank terminates the executive's employment without cause, and (ii) the executive terminates his employment for "good reason" after 90 days' notice and opportunity to cure. "Good reason" consists of any of: (a) in the case of Mr. Yates and Mr. Sefton, the failure to nominate or elect the executive to the board of directors; (b) material diminution in title, duties or responsibilities; (c) material breach by the Bank of compensation or benefit provisions; (d) material breach by the Bank of any material terms of the employment agreement, and if curable has not been cured within the 90-day cure period stated above; or (e) relocation of the executive more than 50 miles from the Bank's headquarters' location.

In each case the executive receives a lump sum payment equal to 12 months of base salary, or in the case of Mr. Parker, nine months of base salary. In addition, the executive also receives a prorated incentive bonus, any deferred compensation owed, any unpaid salary and vacation, and continued benefits at the Bank's cost for 12 months, or in the case of Mr. Parker, nine months.

Dan C. Yates, Chief Executive Officer. Mr. Yates' base salary is set at \$250,000 for the first year, \$275,000 for the second year and \$300,000 for the third year, and may be increased in the discretion of the board of directors. Effective 24 months after opening or when the Bank first turns a quarterly net profit, Mr. Yates will participate in a board of directors-approved executive incentive plan. Target annual cash bonus awards will be no less than 30% of annual base salary. The board of directors may also award discretionary bonuses. Mr. Yates is entitled to three weeks of vacation in the first year and four weeks of vacation each year thereafter in addition to any paid-time-off policy which may be adopted by the Bank. Mr. Yates also receives an auto allowance of \$600 per month, a membership in The University Club atop Symphony Towers, and participation in all Bank employee benefit programs provided to senior executives from time to time.

Steven D. Sefton, President. Mr. Sefton's base salary is set at \$225,000 and may be increased in the discretion of the board of directors. Effective 24 months after opening or when the Bank first turns a quarterly net profit, Mr. Sefton will participate in a board of directors-approved executive incentive plan. Target annual cash bonus awards will be no less than 30% of annual base salary. The board of directors may also award discretionary bonuses. Mr. Sefton is entitled to three weeks of vacation in the first year and four weeks of vacation each year thereafter in addition to any paid-time-off policy which may be adopted by the Bank. Mr. Sefton also receives an auto allowance of \$600 per month, a membership in The University Club atop Symphony Towers or another club, and participation in all Bank employee benefit programs provided to senior executives from time to time.

Scott T. Parker, Chief Credit Officer. Mr. Parker's base salary is set at \$185,000 for the first year, increased to at least \$195,000 for the second year, and may be increased in the discretion of the board of directors. Mr. Parker also received a signing bonus of \$10,000. Effective 24 months after opening or when the Bank first turns a quarterly net profit, Mr. Parker will participate in a board of directors-approved executive incentive plan. Target annual cash bonus awards will be no less than 20% of annual base salary. The board of directors may also award discretionary bonuses. Mr. Parker is entitled to three weeks of vacation in the first year and four weeks of vacation each year thereafter in addition to any paid-time-off policy which may be adopted by the Bank. Mr. Parker also receives an auto allowance of \$500 per month, and participation in all Bank employee benefit programs provided to senior executives from time to time.

Danna M. Murphy, Chief Financial Officer. Ms. Murphy's base salary is set at \$180,000 for the first year, increased to \$187,500 in 2020 and \$195,000 in 2021 and ongoing adjustments will be made pursuant to the Bank's compensation policies in effect from time to time. Ms. Murphy received a signing bonus of \$5,000. Ms. Murphy is eligible for annual incentive bonuses based on criteria established by the Bank. Ms. Murphy has been granted stock options under the Plan providing Ms. Murphy the right to purchase 10,000 shares of the Bank's stock. The stock options vest over three years. Ms. Murphy is entitled to four weeks of vacation or paid-time off each year. Ms. Murphy also receives an auto allowance of \$500 per month, and participation in all Bank employee benefit programs provided to employees from time to time. Ms. Murphy's employment is "at will."

Change in Control

The employment agreements with the executive officers (excluding Ms. Murphy, who is not employed under an employment agreement), all provide for payments due to them upon a "change in control" of the Bank. Each executive will receive a payment of 12 months of base salary in this event. The executive is entitled to payment regardless of whether the executive is terminated in connection with a change of control. In the case of Messrs. Yates, Sefton and Parker, if they are terminated and would receive severance related to termination, the payment resulting

from the change in control is in lieu of the annual base salary portion of the severance payment otherwise due to them related to the termination.

A “change in control” is defined in the employment agreements as a change of control as described in Internal Revenue Code Section 409A, including without limitation: (i) consummation of a plan of dissolution or liquidation; (ii) consummation of a reorganization, consolidation or merger where the shareholders of the Bank do not own more than 50% of the voting power of the resulting entity, a 50% or more shareholder does not own at least 50% of the voting power of the resulting entity, or the majority of the Board of Directors changes; (iii) the sale of substantially all of the assets of the Bank; or (iv) the acquisition of more than 50% of the voting power by a non-affiliate.

A “change in control,” as defined in the Plan, also has certain consequences for the stock options held by the executives, including Ms. Murphy. The definition of “change in control” in the Plan is different from the definition in the employment agreements. If a “corporate transaction” resulting from a “change in control” occurs, the Bank may: (i) cancel the vested or unvested options in exchange for a payment in cash or stock equal to the fair market value of the consideration to be paid per share less the exercise price, (ii) after the de novo period, accelerate the vesting of the options, (iii) provide that the options will be assumed or substituted for, and/or (iv) provide that exercisable options be exercised following notice or they shall terminate.

Stock Option Awards and Equity Awards Outstanding

All of the awards to executive officers are intended to constitute incentive stock options, to the extent permitted by the Internal Revenue Code. The options granted to each executive officer will not qualify for incentive stock option treatment to the extent the annual vesting exceeds \$100,000. The options vest in equal parts over three years from the date of grant and expire ten years after the date of grant unless earlier exercised or terminated under the terms of the Plan. Vesting ceases when an officer ceases to be an employee, director or consultant, and the right to exercise the options ceases at that time, or within a time specified in the Plan thereafter, depending on the circumstances.

The following table sets forth information concerning equity awards held by the named executive officers that were outstanding as of December 31, 2019:

Named Executive Officers (NEO's) – Outstanding Equity Awards at Fiscal Year-End

Name	Grant Date	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise Price (\$)	Option expiration date
Dan C. Yates	1/21/2018	35,581	71,162	0	10.00	1/21/2028
Steven D. Sefton	1/21/2018	26,685	53,372	0	10.00	1/21/2028
Scott T. Parker	1/21/2018	13,342	26,686	0	10.00	1/21/2028
Danna M. Murphy	6/25/2019	0	10,000	0	9.90	6/25/2029

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Many of the directors, officers and employees of the Bank, and companies with which they are associated, have and will continue to have banking transactions with the Bank in the ordinary course of business. It is the firm policy of the Board of Directors that any loans and commitments to lend included in such transactions will be made in accordance with all applicable laws and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons of similar creditworthiness, and which do not involve more than the normal risk of collectability.

During 2019, the Bank made a loan to Lorne Polger on market terms and the loan had a remaining principal balance of \$717,842.76 as of March 31, 2020.