

SIERRA BANCORP  
Form S-4/A  
April 22, 2016

As filed with the Securities and Exchange Commission on April 22, 2016

Registration No. 333-210404

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**AMENDMENT NO. 1**

**TO**

**FORM S-4**

**REGISTRATION STATEMENT  
*UNDER THE SECURITIES ACT OF 1933***

**SIERRA BANCORP**  
**(Exact Name of Registrant as Specified in its Charter)**

<b>California</b>	<b>6021</b>	<b>33-0937517</b>
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

**86 North Main Street  
Porterville, CA 93257  
(559) 782-4900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Kevin J. McPhail**

**President And Chief Executive Officer**

**Sierra Bancorp**

**86 North Main Street  
Porterville, CA 93257  
559-782-4900**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With copies to:*

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement and the satisfaction or waiver of all other conditions to the transaction described in the proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration

statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (*Check one*):

Non-accelerated Filer: "

Large Accelerated Filer " Accelerated Filer: x (Do not check if a Smaller Reporting Company: "  
smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

**The information in this proxy statement/prospectus is not complete and may be changed. Sierra Bancorp may not sell these securities until the registration statement filed with the Securities and Exchange Commission of which this document is a part, is declared effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

PRELIMINARY - SUBJECT TO COMPLETION - DATED [·], 2016

PROXY STATEMENT/PROSPECTUS  
MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

The board of directors of Coast Bancorp, which we sometimes refer to as Coast, has agreed to a merger of Coast Bancorp with and into Sierra Bancorp, which we sometimes refer to as Sierra. The details of the merger are set forth in the Agreement and Plan of Reorganization and Merger, dated as of January 4, 2016, between Sierra Bancorp and Coast Bancorp, which we refer to as the merger agreement. Immediately after the merger, Coast Bancorp's bank subsidiary, Coast National Bank, will be merged with and into Sierra Bancorp's bank subsidiary, Bank of the Sierra. We refer to the second merger as the bank merger.

If the merger is completed, each shareholder of Coast Bancorp will receive, subject to their stock and cash election and proration, their proportional share of the total merger consideration, which consists of (1) 581,753 shares of Sierra common stock; and (2) \$3,176,371 in cash (subject to downward adjustment as described in the next paragraph). The total number of shares issued and cash paid may be increased if outstanding stock options are exercised prior to the effective time of the merger. This will not result in any change to the per share merger consideration payable to current shareholders.

The total number of shares issued and cash paid may be increased if outstanding stock options are exercised prior to the effective time of the merger. This will not result in any change to the per share merger consideration payable to current shareholders.

The precise amount of the aggregate merger consideration and the resulting per share merger consideration will not be known until shortly before the closing of the merger. A total of 581,753 Sierra Bancorp shares will be issued in the merger, plus up to 46,565 additional shares if all outstanding Coast Bancorp stock options are exercised prior to the effective time of the merger. The aggregate amount of cash to be paid will equal \$3,176,171, subject to reduction if and to the extent that Coast Bancorp's total adjusted shareholders equity is less than \$5.2 million as of the end of the month preceding the closing or certain transaction expenses of Coast Bancorp exceed \$2.4 million. See "PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER – Adjustments to the Merger Consideration." The aggregate amount of cash may be increased by up to an additional \$254,250 if all outstanding Coast Bancorp stock options are exercised prior to the effective time of the merger.

By way of example only, assuming no reduction in the aggregate cash consideration as described above, if the per share merger consideration were calculated based on the closing price for shares of Sierra Bancorp common stock on the Nasdaq Global Select Market on [LATEST PRACTICABLE DATE] of \$\_\_\_\_\_ per share, each share of Coast Bancorp common stock converted into cash would have received \$\_\_\_\_\_ in cash, and each share converted into stock would have been converted into \_\_\_\_\_ shares of Sierra Bancorp common stock. The actual merger consideration will be calculated five business days before the closing of the merger based on a formula in the merger agreement, and the resulting per share merger consideration may be more or less than in the above example. In addition, because the merger consideration is set by a predetermined formula and it is impossible to predict what elections different shareholders will make, there is no assurance that any given shareholder will receive the form of consideration he or she elects.

Holders of in-the-money Coast Bancorp stock options who do not exercise their options prior to the merger effective time will receive \$2.25 minus the exercise price per share with respect to the corresponding Coast stock option. Outstanding warrants to purchase approximately 123,181 shares of Coast common stock at \$5.50 per share shall be cancelled and become null and void unless exercised prior to the effective time of the merger.

Shares of Sierra Bancorp common stock are traded on the Nasdaq Global Select Market under the symbol "BSRR." On January 4, 2016, immediately prior to the first public announcement of the merger, the price per share of Sierra Bancorp common stock was \$17.51, and on [LATEST PRACTICABLE DATE], the latest practicable trading date before the printing of this proxy statement/prospectus, the closing share price of Sierra Bancorp common stock was \$[\_\_\_].

Shares of Coast Bancorp common stock are traded on the OTC-PINK under the symbol "CTBP." On January 4, 2016, immediately prior to the first public announcement of the merger, the closing share price of Coast Bancorp common stock was \$1.75, and on [LATEST PRACTICABLE DATE], the latest practicable trading date before the printing of this proxy statement/prospectus, the closing share price of Coast Bancorp common stock was \$[\_\_\_].

Shareholders of Coast Bancorp will be asked to vote to approve the merger agreement and the merger at the special meeting of shareholders. We cannot complete the merger unless we obtain the required approval of the shareholders of Coast Bancorp. The merger agreement must be approved by the affirmative vote of at least a majority of the shares of Coast Bancorp common stock outstanding as of the record date for the special meeting.

We urge you to read this proxy statement/prospectus and all appendices carefully, including the “RISK FACTORS” discussion beginning on page [ ] of this proxy statement/prospectus.

**Neither the Securities and Exchange Commission nor any bank regulatory agency, nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The securities offered through this proxy statement/prospectus are not savings accounts, deposits or other obligations of a bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any government agency.**

This proxy statement/prospectus is dated [\_\_\_\_\_, 2016] and is first being mailed to the shareholders of Coast Bancorp on or about May 12, 2016.

500 Marsh Street

San Luis Obispo, California 93401

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD June 20, 2016 – 5:30 p.m

To: The Shareholders of Coast Bancorp (“Coast Bancorp”),

A special meeting of shareholders of Coast Bancorp will be held at the office of Coast Bancorp located at 500 Marsh Street, San Luis Obispo, California 93401, on Monday, June 20, 2016, at 5:30 p.m (local time), for the purpose of considering and voting upon the following matters:

**Approval of the Merger Agreement and Merger.** To approve the Agreement and Plan of Reorganization and Merger, dated January 4, 2016, by which Coast Bancorp will be merged with and into Sierra Bancorp and Coast Bancorp’s bank subsidiary, Coast National Bank will be merged with and into Sierra Bancorp’s bank subsidiary, Bank of the Sierra, as more fully described in the accompanying proxy statement/prospectus.

**Adjournment.** To approve any adjournment or postponement of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

Only shareholders of record at the close of business on May 2, 2016, are entitled to notice of, and to vote at, the special meeting.

Shareholders are entitled to assert dissenters’ rights with respect to the proposal to approve the merger agreement and the merger. Your dissenters’ rights are conditioned on your strict compliance with the requirements of Chapter 13 of the California General Corporation Law, which we refer to as the CGCL. A copy of the applicable sections of Chapter

13 of the CGCL is attached as **Appendix B** to this proxy statement/prospectus.

The board of directors of Coast Bancorp has determined that the merger is advisable and in the best interests of Coast Bancorp shareholders based upon its analysis, investigation and deliberation and recommends that shareholders of Coast Bancorp vote “**FOR**” approval of the merger agreement and the merger.

The board of directors of Coast Bancorp also recommends that shareholders vote “**FOR**” adjournment of the special meeting to a later date or dates if necessary, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

**Whether or not you plan to attend the special 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.** The vote of every shareholder is important and we will 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 special meeting. If you hold your shares in certificate form and attend the special meeting, you may simply revoke your previously submitted proxy and vote your shares at that time. If your shares are held by a broker or otherwise not registered in your name, you will need additional documentation from your record holder to vote your shares personally at the special meeting. If you hold your shares in certificate form, please indicate on the proxy card whether or not you expect to attend.

We appreciate your continuing support and look forward to seeing you at the special meeting.



**DATED:** May 12, 2016

**By Order of the Board of Directors**

**Anita M. Robinson**

**President and Chief Executive Officer**

**Robb Evans**

**Chairman of the Board**

**Please do not send in your stock certificates at this time. If the merger is approved, you will be sent instructions regarding your election as to the type of consideration you would prefer to receive in the merger. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.**

**Important notice regarding the availability of proxy materials for the special meeting to be held on June 20, 2016: This proxy statement/prospectus is available at <http://viewproxy.com/xxxxxxxx/2016specialmeeting>.**

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Sierra Bancorp from other documents filed with the U.S. Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see “WHERE YOU CAN FIND MORE INFORMATION” beginning on page [ ] of this proxy statement/prospectus. You can obtain any of these documents at no cost from the SEC’s website at <http://www.sec.gov> or Sierra Bancorp’s website at [www.sierrabancorp.com](http://www.sierrabancorp.com) by clicking on “Investor Relations” and then “SEC Filings”. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting Sierra Bancorp at the following address:

Sierra Bancorp

86 Main Street

Porterville, CA 93257

559-782-4900

Attention: Diane L. Renois

You will not be charged for any of these documents that you request. If you would like to request documents, please do so by June 13, 2016, in order to receive them before the special meeting.

In addition, if you have questions about the merger or the special meeting, need additional copies of this proxy statement/prospectus, or need to obtain proxy cards or other information related to the proxy solicitation, you may also contact Anita M. Robinson, President, Coast Bancorp, 500 Marsh Street, San Luis Obispo, California 93401; (805) 541-0400 or (805) 547-6135 - Direct Line.

Coast Bancorp does not have a class of securities registered under Section 12 of the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and, accordingly, does not file documents or reports with the SEC.

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APPENDICES

Agreement and Plan of Reorganization and Merger, dated January 4, 2016 by and among Sierra Bancorp and Coast Bancorp, with the form of Director Voting, Non-Competition and Non-Solicitation Agreement applicable to Coast Bancorp directors attached as Exhibit A, the form of Executive Voting and Nonsolicitation Agreement applicable to Coast Bancorp executive officers attached as Exhibit B, the form of Merger Agreement attached as Exhibit C-1, the form of Bank Merger Agreement attached as Exhibit C-2 and the form of Option Holder Agreement attached as Exhibit D.

Appendix B Selected sections of Chapter 13 of the California Corporations Code (Dissenters' Rights)

Appendix C Fairness Opinion of Vining Sparks IBG, L.P.

## QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

*This question and answer summary highlights selected information contained in other sections of this proxy statement/prospectus and is intended to answer questions that you, as a shareholder of Coast Bancorp, may have regarding the special meeting and the merger. Sierra Bancorp and Coast Bancorp urge you to carefully read this entire proxy statement/prospectus, including all appendices and all other information incorporated by reference in this proxy statement/prospectus.*

### Questions and Answers about the Special Meeting

**Q: Why have you sent me this document?**

**A:** This document is being delivered to you because it is serving as both a proxy statement for Coast Bancorp and a prospectus of Sierra Bancorp. It is a proxy statement because it is being used by the Coast Bancorp board of directors to solicit the proxies of its shareholders in connection with the special meeting of shareholders. It is a prospectus because Sierra Bancorp is offering shares of its common stock in exchange for shares of Coast Bancorp in the merger as described below.

This proxy statement/prospectus contains important information regarding the proposed merger, as well as information about Sierra Bancorp and Coast Bancorp. It also contains important information about what Coast's board of directors and management considered when evaluating this proposed merger. We urge you to read this proxy statement/prospectus carefully, including the merger agreement which is attached to this proxy statement/prospectus as **Appendix A** and is incorporated herein by reference, and the other appendices.

**Q: When and where will the special meeting be held?**

**A:** The special meeting will be held at the office of Coast Bancorp located at 500 Marsh Street, San Luis Obispo, California 93401, on June 20, 2016, at 5:30 p.m (local time).

**Q: Who is entitled to vote at the special meeting?**



**A:** Shareholders of record as of the close of business on May 2, 2016 will be entitled to vote at the special meeting.

**Q:** **What am I being asked to vote on at the special meeting?**

**A:** Coast Bancorp is holding the special meeting to ask its shareholders to consider and vote to:

· approve the merger agreement (and the plan of merger contemplated therein); and  
· approve any adjournment or postponement of the special meeting if necessary, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

**Q:** **How does the Coast Bancorp board of directors recommend that I vote on each proposal?**

**A:** The Coast Bancorp board of directors recommends that you vote **“FOR”** the approval of the following:

· the merger agreement and the merger; and  
· the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

**Q: How many votes do I have and how do I vote at the special meeting?**

**A:** You are entitled to one vote for each share that you owned as of the record date for the special meeting. You may vote “**FOR**,” “**AGAINST**” or “**ABSTAIN**” with respect to any of the proposals presented at the special meeting. Whether or not you plan to attend the special meeting, we urge you to vote by proxy to ensure your vote is counted. If you hold your shares in certificate form, you may still attend the special meeting and vote in person even if you have already voted by proxy.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the special meeting, your shares will be voted as you direct.

You may also vote utilizing the Internet or telephone as set forth on the enclosed proxy card.

If you hold your shares in certificate form and wish to vote in person, simply attend the special meeting and you will be given a ballot when you arrive. If you hold your shares in street name, you will need to obtain a legal proxy from your broker to enable you to vote in person at the meeting.

**Q: What if my shares are held in street name by my broker or other nominee?**

**A:** If you hold your shares in “street name” through a broker or other nominee, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Coast Bancorp. **Your broker or nominee cannot vote your shares unless you provide instructions on how to vote them.** To vote your shares, follow the voting instructions your broker or nominee provides when forwarding these proxy materials to you and complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or nominee. To vote in person at the special meeting, you must obtain a valid proxy from your broker or nominee. **If you do not provide voting instructions to your broker, bank or agent, this will have the same effect as a vote “AGAINST” the merger agreement.** Your abstention or non-vote will have no effect on the outcome of the proposal to adjourn and reconvene the special meeting. See “THE SPECIAL MEETING – Abstentions and Broker Non-Votes” beginning on page [\_\_].

**Q: May I revoke or change my vote after I have provided proxy instructions?**

**A:** Yes. If you hold shares in certificate form, you may revoke or change your proxy at any time before the time your proxy is voted at the special meeting by: (i) filing with Coast Bancorp’s Corporate Secretary an instrument revoking it or a duly executed proxy bearing a later date; (ii) appearing and voting in person at the special meeting or (iii) if you have voted your shares by Internet or telephone, recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last Internet or telephone vote. Your attendance alone at the special

meeting will not revoke your proxy. If you have instructed a broker or other nominee to vote your shares, you must follow directions received from your broker or other nominee in order to change those instructions.

**Q: What happens if I don't vote?**

**A:** If you do not vote by either returning your proxy card, voting by phone or Internet, or attending the special meeting and voting in person, it will have the same effect as voting your shares **"AGAINST"** the merger agreement and the merger.

**Q: What happens if I sign and return my proxy card without indicating how I wish to vote?**

**A:** If you sign and return your proxy card without indicating how to vote on any particular proposal, your proxy will be voted **"FOR"** the merger and the adjournment proposal, as recommended by Coast's board of directors.

Questions and Answers About the Merger Agreement and the Merger

**Q: What will Coast Bancorp shareholders receive in the merger?**

**A:** If the merger is completed, each shareholder of Coast Bancorp will receive, subject to their stock and cash election and proration, their proportional share of the total merger consideration, which consists of (1) 581,753 shares of Sierra common stock (plus up to 46,565 additional shares if all outstanding Coast Bancorp options are exercised); and (2) \$3,176,371 (subject to downward adjustment in certain circumstances as specified in the merger agreement). The aggregate amount of cash may be increased by up to an additional \$254,250 if all outstanding Coast Bancorp stock options are exercised prior to the effective time of the merger.

**Q: What will each Coast Bancorp shareholder receive in the merger?**

**A:** A Coast Bancorp shareholder may elect to receive (i) all cash, (ii) all Sierra common stock, or (iii) a mix of cash and Sierra common stock. All elections are subject to the election, proration and allocation procedures described in this proxy statement/prospectus. If too many shareholders elect one form of consideration over the other, any given shareholder may not receive the form of merger consideration he or she elected. For a detailed description of these allocation procedures, please see "PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER — Allocation Calculation."

**Q: What is the amount of cash and/or the number of shares of Sierra common stock that each Coast Bancorp shareholder will receive for his or her shares of Coast Bancorp common stock?**

**A:** Subject to adjustment as described in the merger agreement, shares of Coast common stock converted into the right to receive cash will receive the sum of (i) \$0.56 per share, and (ii) an amount equal to 0.10302 multiplied by the volume-weighted trading price for shares of Sierra common stock for the twenty trading days ending immediately prior to the fifth day preceding the effective time of the merger. Shares converted into Sierra common stock shall be determined by dividing the per share amount paid to Coast Bancorp shares converted into cash by the same volume-weighted average trading price. By way of example only, assuming no reduction in the aggregate cash consideration as provided in the merger agreement, if the per share merger consideration were calculated based on the closing price for shares of Sierra common stock on the Nasdaq Global Select Market on [LATEST PRACTICABLE DATE] of \$\_\_\_\_\_ per share, each share of Coast Bancorp common stock converted into cash would have received \$\_\_\_\_\_ in cash, and each share converted into stock would have been converted into \_\_\_\_\_ shares of Sierra Bancorp common stock. The actual merger consideration will be calculated five business days before the closing of the merger based on the volume-weighted trading price as described in the first sentence of this paragraph, and the

resulting per share merger consideration may be more or less than in the above example.

**Q: Is the value of the per share consideration that a Coast Bancorp shareholder receives expected to be substantially equivalent regardless of which election he or she makes?**

**A:** The formula that was used to calculate the per share consideration substantially equalized the value of the consideration to be received for each share of Coast Bancorp common stock that is exchanged in the merger, as measured during the 20 trading day period prior to the closing of the merger, regardless of whether a shareholder elects to receive cash, stock or a mix of cash and stock. As the value of Sierra common stock will likely fluctuate with its trading price during the time period between the signing of the merger agreement and the closing of the merger, however, the value of the per share stock consideration Coast shareholders receive may be more or less than the value of the per share cash consideration.

**Q: Will the value of the merger consideration change between the special meeting and the time the merger is completed?**

**A:** Yes, in all likelihood the value of the merger consideration will fluctuate between the special meeting and the completion of the merger based upon the market value of Sierra common stock. Any fluctuation in the market price of Sierra common stock after the special meeting will change the value of the per share merger consideration that you will receive.

**Q: Will the shares of Sierra common stock received by Coast Bancorp shareholders in the merger be listed on Nasdaq upon the completion of the merger?**

**A:** Yes. The shares of Sierra common stock to be issued in connection with the merger have been registered under the Securities Act, and will be listed on The Nasdaq Global Select Market under the symbol “BSRR.”

**Q: How do I elect the form of consideration I prefer to receive?**

**A:** Each Coast Bancorp shareholder will be sent an election form and transmittal materials containing instructions for use in effecting the surrender of shares of Coast Bancorp common stock in exchange for the merger consideration, which will be mailed to Coast Bancorp shareholders no less than thirty-five (35) days prior to the anticipated effective time of the merger or on such other date as the Coast Bancorp and Sierra mutually agree, which we refer to as the “mailing date.” The election form allows a Coast Bancorp shareholder to indicate the number of his or her shares of Coast Bancorp such shareholder elects to convert into Sierra common stock and the number of shares such shareholder elects to convert into cash, or to indicate that the shareholder makes no election. To make a valid election, a Coast Bancorp shareholder must submit a properly completed and signed election form and transmittal materials so that it is actually received by Computershare, Sierra Bancorp’s exchange agent, on or prior to the election deadline in accordance with the instructions on the election form. See “PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER — Election Procedure.”

**Q: May I submit an election form if I vote against the merger?**

**A:** Yes. You may submit an election form even if you vote against the merger. However, if you are a dissenting shareholder, your election will have no effect and you will instead receive the fair market value for your shares.

**Q: May I change my election once it has been submitted?**

**A:** Yes. You may revoke your election with respect to all or a portion of your shares of Coast Bancorp common stock by delivering written notice of your revocation to the exchange agent by the election deadline. If an election is properly revoked with respect to shares of Coast Bancorp common stock, the holder will be deemed to have made no election with respect to such shares unless and until a new election form is submitted, which must be received by the exchange agent by the election deadline. You will not be entitled to revoke or change your election after the election deadline.

**Q: What happens if I do not make an election prior to the deadline?**

**A:** If you fail to submit a valid election form to the exchange agent prior to the election deadline, then you will be deemed to have made no election and will receive either shares of Sierra Bancorp common stock, cash or a combination of shares of Sierra Bancorp common stock and cash for your shares, depending on the elections made by other shareholders.

**Q: Will I receive the form of merger consideration that I elect?**

**A:** Not necessarily. This will depend primarily on elections made by other shareholders. There is no way to predict what elections different shareholders will make, and the aggregate amounts of cash and stock to be issued in the merger are set by a predetermined formula in the merger agreement. As a result, there is no assurance that any given shareholder will receive the form of consideration he or she elects. If Coast Bancorp shareholders elect to receive more of one form of consideration than is available, we will allocate the available amount among the Coast Bancorp shareholders electing to receive that form of consideration, and those Coast Bancorp shareholders will receive the other form of consideration for the balance of their Coast Bancorp shares. For a detailed description of these allocation procedures, please see “PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER — Allocation Calculation.”

**Q: What will holders of outstanding stock options and warrants receive in the merger?**

**A:** Holders of outstanding stock options under the Coast Bancorp 2014 Equity Compensation Plan shall be entitled to exercise such options in connection with the merger. Any option holder electing to exercise outstanding stock options will receive the same merger consideration as any other Coast Bancorp shareholder. As of [LATEST PRACTICABLE DATE], Coast Bancorp had options outstanding to purchase 452,000 shares of its common stock, and the exercise price of all outstanding options is \$1.43 per share. The total number of shares issued and cash paid may be increased if outstanding stock options are exercised prior to the effective time of the merger. Any unexercised stock options shall be automatically converted into the right to receive the difference between \$2.25 per share minus the exercise price, or \$0.82 per share under the merger agreement.

Coast Bancorp has outstanding warrants to purchase 123,181 shares of Cost Bancorp common stock at an exercise price of \$5.50 per share. Given the high exercise price in relation to the per share merger consideration, it appears unlikely that any of the warrants will be exercised. The warrants will expire if not exercised prior to completion of the merger.

**Q: Will I receive any fractional shares of Sierra Bancorp common stock as part of the merger consideration?**

**A:** No. Sierra Bancorp will not issue fractional shares in the merger. As a result, the total number of shares of Sierra Bancorp common stock that you will receive in the merger will be rounded down to the nearest whole number. You will receive a cash payment for the value of any remaining fraction of a share of Sierra Bancorp common stock that you would otherwise have been entitled to receive.

**Q: Do Coast Bancorp shareholders have dissenters' rights with respect to approval of the merger agreement?**

**A:** Yes. Holders of Coast Bancorp common stock have dissenters' rights in accordance with the provisions of Chapter 13 of the CGCL. In order to exercise dissenters' rights, a shareholder does not need to affirmatively vote against the merger agreement, but instead need only not vote in favor of the merger agreement. However, a shareholder choosing to exercise his or her dissenters' rights must also comply with the provisions of Chapter 13 of the CGCL. A copy of the applicable sections of Chapter 13 of the CGCL is included with this proxy statement/prospectus as **Appendix B**. Please also read the section entitled "PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER – Dissenters' Rights of Coast Bancorp Shareholders" beginning on page [\_\_\_].



**Q: Why has the Coast Bancorp board of directors approved the merger?**

**A:** The board of directors of Coast Bancorp has considered a number of available strategic options and in the board's opinion, none of these options, including remaining independent, is likely to create value for Coast Bancorp shareholders greater than that created by the proposed transaction with Sierra Bancorp. Please read the section entitled "PROPOSAL NO. 1 THE MERGER AGREEMENT AND THE MERGER – Coast Bancorp's Reasons for the Merger; Recommendation of Coast's Board of Directors" beginning on page [\_\_].

**Q: When do you expect the merger to be completed?**

**A:** Sierra Bancorp and Coast Bancorp are working to complete the merger in July 2016. However, the merger is subject to various federal and state regulatory approvals and other conditions, including approval by the shareholders of Coast Bancorp. Due to possible factors outside our control, it is possible that the merger will be completed at a later time, or not at all. There may be a substantial amount of time between the special meeting and the completion of the merger.

**Q: What happens if I sell my shares after the record date for the special meeting, but before the special meeting?**