

SIERRA BANCORP  
Form PRRN14A  
April 18, 2008  
Table of Contents

**SCHEDULE 14A**  
**(Rule14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement     Confidential, for Use of the Commission Only  
 Definitive Proxy Statement        (as permitted by Rule 14a-6(e)(2))  
 Definitive Additional  
Materials  
 Soliciting Material Pursuant to  
Rule 14a-12

**SIERRA BANCORP**

(Name of Registrant as Specified In Its Charter)

**PATRICIA L. CHILDRESS AND CAROL A. BATES**

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
 Fee computed on table below per Exchange Act Rules14a-6(i)(1) and 0-11.  
    (1) Title of each class of securities to which transaction applies:  
    (2) Aggregate number of securities to which transaction applies:  
    (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):  
    (4) Proposed maximum aggregate value of transaction:  
    (5) Total fee paid:  
 Fee paid previously with preliminary materials:  
 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.  
    (1) Amount Previously Paid:  
    (2) Form, Schedule or Registration Statement No.:  
    (3) Filing Party:  
    (4) Date Filed:
-

**TABLE OF CONTENTS**

|                                                                           |     |
|---------------------------------------------------------------------------|-----|
| <u>Statement in Support</u>                                               | 3   |
| <u>About Ms. Childress and Ms. Bates</u>                                  | 4   |
| <u>General Voting Procedures</u>                                          | 4   |
| <u>Questions &amp; Answers about Voting Procedures</u>                    | 4   |
| <u>Proxy Revocation Rights</u>                                            | 7   |
| <u>Proxy Solicitation and Expenses</u>                                    | 7   |
| <u>Information about the Participants in this Solicitation of Proxies</u> | 8   |
| <u>Group Agreements</u>                                                   | 8   |
| <u>Information about Sierra Bancorp</u>                                   | 8   |
| <u>Other Matters to be Voted Upon</u>                                     | 8   |
| <u>Annex A</u>                                                            | A-1 |
| <u>Annex B</u>                                                            | B-1 |
| <u>Annex C</u>                                                            | C-1 |
| <u>Proxy Card</u>                                                         |     |

**Table of Contents**

PRELIMINARY COPY - SUBJECT TO COMPLETION, DATED APRIL \_\_, 2008

**PATRICIA L. CHILDRESS**

c/o Tisdale & Nicholson, LLP

2029 Century Park East, Suite 900

Los Angeles, CA 90067

Attn: Jeffrey A. Tisdale, Esq.

\_\_\_\_\_, 2008

Dear Fellow Stockholders:

I am the beneficial owner of an aggregate of 665,615 shares of Common Stock of Sierra Bancorp ("Bancorp" or the "Company"), representing approximately 7% of the outstanding Common Stock of the Company. I am conducting this proxy solicitation with my sister, Carol Bates, who is the beneficial owner of an aggregate of 549,124 shares of Common Stock of Bancorp, representing approximately 5.7% of the outstanding Common Stock of the Company. The combined beneficial ownership of stock holdings of me and my sister is 12.7%. For the reasons set forth in the attached Proxy Statement, I do not believe the Board of Directors of the Company is acting in the best interests of its stockholders. I am therefore seeking your support at the annual meeting of stockholders (the "Annual Meeting") scheduled to be held at the Main Office of Bank of Sierra located at 90 North Main Street, Porterville, California on May 21, 2008 at 7:30 p.m., local time, for the following:

1. To elect Patricia L. Childress as a Class I director to the Company's Board of Directors in opposition to the Company's incumbent directors.
2. To Grant discretionary authority to adjourn the meeting to solicit additional votes.

We urge you to carefully consider the information contained in the attached Proxy Statement and then support our efforts by signing, dating and returning the enclosed WHITE proxy card today. The attached Proxy Statement and the enclosed WHITE proxy card are first being furnished to the stockholders on or about April\_, 2008.

[If you have already voted a proxy card furnished by the Company's management, you have every right to change your votes by signing, dating and returning a later dated proxy.]

If you have any questions or require any assistance with your vote, please contact The Altman Group which is assisting us, at their address and toll-free numbers listed on the following page.

Thank you for your support,

Patricia L. Childress

**Table of Contents**

**\* \* \* REVISED PRELIMINARY \* \* \***

**ANNUAL MEETING OF STOCKHOLDERS OF  
SIERRA BANCORP**

**PROXY STATEMENT OF  
PATRICIA L. CHILDRESS AND CAROL A. BATES**

**PLEASE SIGN, DATE AND MAIL THE ENCLOSED WHITE PROXY CARD TODAY**

**SIERRA BANCORP ANNUAL MEETING.** On April 16, 2008, Sierra Bancorp ("Bancorp" or the "Company"), filed with the Securities and Exchange Commission its preliminary proxy statement and notice to stockholders that the Annual Meeting of Stockholders will be held at the Main Office of Bank of Sierra: 90 North Main Street, Porterville, California 93257, on Wednesday, May 21, 2008 at 7:30 p.m., local time.

**STOCKHOLDER NOMINATION.** Ms. Patricia Childress has submitted her nomination for election as a Class I director to the Board of Directors of Sierra Bancorp. Ms. Childress beneficially owns an aggregate of approximately 665,615 shares of common stock in Bancorp, representing approximately 7.0% of the 9,591,088 shares outstanding as of January 31, 2008.

**WHITE PROXY CARD.** This proxy statement and the enclosed **WHITE** proxy card (the "**WHITE** proxy card") are being furnished to you, the stockholders of Bancorp, by Ms. Patricia L. Childress, who is a nominee for election by the common stockholders, and by Ms. Carol A. Bates, who is participating in this solicitation.

**SOLICITATION OF PROXIES FOR MS. CHILDRESS.** Ms. Childress and Ms. Bates are soliciting proxies to be used at the 2008 Annual Meeting of Stockholders of Bancorp, and any adjournments or postponements thereof (the "Annual Meeting"). Pursuant to this proxy statement, Ms. Childress and Ms. Bates are soliciting proxies from holders of shares of Bancorp common stock to vote FOR the election of Patricia L. Childress as a Class I director of the Company to represent the interests of the public stockholders.

**RECORD DATE.** Bancorp's preliminary proxy statement states that only Bancorp stockholders of record at the close of business on March 24, 2008 are entitled to notice of and to vote at the Annual Meeting or any adjournments or postponements thereof.

To elect **STOCKHOLDER-NOMINATED REPRESENTATION ON THE BOARD**,  
Bancorp common stockholders should **VOTE FOR**  
the election of **PATRICIA L. CHILDRESS** as a Class I director of the Company.

\* \* \* \* \*

This proxy statement and the accompanying WHITE proxy card are first being mailed to stockholders on or about April \_\_, 2008.

A proxy may be given by any person who holds shares of Bancorp common stock. Whether or not you plan to attend the Annual Meeting, you are urged to sign and date the enclosed WHITE proxy card and return it in the postage-paid envelope provided to The Altman Group, 1200 Wall Street West, 3rd Floor, Lyndhurst, NJ 07071, telephone (866) 387-0017.

**Since only your latest dated proxy card will count, we urge you not to return any non-white proxy card you receive from the Company. Even if you have already returned a non-white proxy card sent to you by the Company, you have a right to change your vote by signing, dating and returning a later dated proxy card or by voting in person at the Annual Meeting. By completing and returning the WHITE proxy card, any previous proxy card you may have previously sent to the Company will be automatically revoked. It is very important that you DATE YOUR WHITE PROXY CARD because your latest-dated proxy is the only one that counts.**

All valid proxies received before the Annual Meeting will be voted, and stockholders have the power to revoke their proxies at any time before they are exercised.

**Please do not return any proxy sent to you by the Company.**

**Table of Contents**

**REASONS TO VOTE FOR PATRICIA L. CHILDRESS AS CLASS I DIRECTOR**

The following is a summary of Ms. Childress's views and the reasons why Ms. Childress is seeking representation on the board of directors at the Annual Meeting:

The common stockholders can elect four Class I directors to the Company's board of directors. **Ms. Childress should be one of these four.**

**Ms. Childress WILL WORK TO SAFEGUARD AND ENHANCE STOCKHOLDER VALUE.** Once elected as a member of the board of directors of Bancorp, Ms. Childress will **WORK HARD** to safeguard and enhance stockholder value. Ms. Childress believes that Bancorp's performance will be enhanced if the board includes a director **NOMINATED BY STOCKHOLDERS.**

For more information on how Ms. Childress will work to realize value for all stockholders of Bancorp, please read the section below entitled "Statement in Support."

**BACKGROUND TO SOLICITATION**

One or more members of the Childress family have been the largest shareholder(s) of the Bank of the Sierra as a result of share acquisitions after its organization in 1977. Ms. Childress's and Ms. Bates's father was a large shareholder and, through estate and gift transfers, the bulk of his holdings were divided among his three children. From 1994 until December 18, 2006, Ms. Childress's and Ms. Bates's brother, Gregory Childress, had served SB and the Bank as a director.

As a result of the substantial portion of the Childress family's net worth related to such share holdings and as a result of the historical involvement by members of the family, Ms. Childress and Ms. Bates believe Ms. Childress should serve as a director and also believe her involvement would provide solid business acumen and a fresh approach to the existing board of directors which would benefit SB and its shareholders.

**Ms. Childress's Nomination.** On December 17, 2007, counsel for Ms. Childress and Ms. Bates contacted counsel for the Company regarding a request to have the board of directors nominate Ms. Childress as part of its slate of nominees for election to the board at the 2008 annual shareholders' meeting. On December 19, 2008, this request was followed up by providing biographical information regarding Ms. Childress. The request to include Ms. Childress was rejected at the board meeting held on December 20, 2007. Accordingly, on December 28, 2007, Ms. Childress sent a letter to the Company in which she provided notice of her intention to nominate herself at the Annual Meeting for election by the common stockholders to serve as a Class I director of the board of directors of the Company.

**Ms. Childress's and Ms. Bates's Filing on 13D.** On March 26, 2008, Ms. Childress and Ms. Bates, jointly filed a Schedule 13D in which it was disclosed that Ms. Childress is working with Ms. Bates, who is the beneficial owner of 549,124 shares of Bancorp, to take action to enhance governance, oversight and stockholder value by nominating herself as a candidate for director of the board of directors of the Company.

**STATEMENT IN SUPPORT**

***Benefits of Nominations by Common Stockholders.***

Currently, there are eight directors on the board of directors of the Company. Pursuant to the Company's Articles of Incorporation, the board of directors is divided into two classes, designated Classes I and II. The directors serve staggered two-year terms, so that directors of only one class are elected at each Annual Meeting of Shareholders. At the 2008 Meeting, shareholders will be asked to elect four Class I directors whose terms expire this year, for an additional term of two years.

Ms. Childress and Ms. Bates believe that independence from management is important for purposes of representing the interests of the common stockholders. They also believe that individuals nominated by stockholders are more likely to advocate business practices intended to increase the returns to public stockholders and are therefore better positioned to bring a diversity of perspectives to the board.



**Table of Contents**

*Conclusion*

For each of the reasons outlined above, Ms. Childress and Ms. Bates believe that the common stockholders need a new director to represent them on the Company's board of directors to ensure that the voices of the common stockholders are heard. Accordingly, Ms. Childress and Ms. Bates urge you to vote for Ms. Childress as a Class I director for the common stockholders at the Annual Meeting by signing, dating and returning the **WHITE** proxy card in the enclosed postage-prepaid envelope. Ms. Childress has consented to being named in this proxy statement and to serve if elected to Bancorp's board of directors.

**ABOUT MS. CHILDRESS AND MS. BATES**

**PATRICIA L. CHILDRESS** is an investor and retired farmer in the local community served by Bank of Sierra. She has a Bachelor of Science and a Master of Science from Cal Poly State University in San Luis Obispo, has taught recreational management classes at Stanislaus State College in Turlock, California and is an astute business woman. From 1981 to 2007 she served as a business manager of Childress, Bates, Childress Inc. ("CBC Inc."), a successful farming business, while she concurrently served as a General Partner in CPG Ranch, also a successful farming business. Although Ms. Childress has retired from CBC Inc. as a result of it winding up its ranching business, she still is active in the CPG Ranch. Both businesses are located in Porterville. In addition, she has invested in, developed and sold various real estate projects over the years and, along with Ms. Bates, has been actively overseeing the Childress family estate. Ms. Childress grew up in Porterville and her family has deep roots in the community. Ms. Childress is committed to the success of Sierra Bancorp and its subsidiary, Bank of Sierra. The combined beneficial ownership of stock holdings of Ms. Childress and Ms. Bates is 12.7%.

**MS. CHILDRESS IS A STOCKHOLDER, JUST LIKE YOU.** As a significant stockholder, Ms. Childress desires to bring her business and shareholder perspective to the board to ensure that new ideas and ways of banking are part of the decision making in these challenging times for the benefit of Bancorp and its stockholders. **MS. CHILDRESS IS NOT A CURRENT OR FORMER BANCORP INSIDER.** Her decisions are not dictated by a salary or any annual payments from the Company, or any historical relationships with Bancorp management or other directors. Accordingly, her interests as an investor are aligned with the interests of other stockholders whose investment decisions are based on safeguarding and increasing stockholder value.

**MS. BATES** is a farmer in the local community served by Bank of Sierra. Ms. Bates received her Associate's degree from Porterville College and studied for a semester at Fresno State University. From 1980 to 2007 when its business wound up, she has served as a senior officer of Childress, Bates, Childress Inc., a successful farming business. Additionally, since 2006 she has been a 50% Partner in CPG Ranch, also a successful farming business. Both businesses are located in Porterville. Ms. Bates has spent most of her life in Porterville and, as a result, has close ties to the community. As a significant stockholder of Sierra Bancorp, Ms. Bates is dedicated to increasing stockholder value. She believes that the election of her sister, Ms. Childress, will help to ensure Sierra Bancorp's continued success.

**GENERAL VOTING PROCEDURES**

To vote **FOR** the election of Patricia L. Childress as a Class I director of the Company, please sign and date the enclosed **WHITE** proxy card and return it to Ms. Childress's and Ms. Bates's proxy solicitor, The Altman Group, Inc. ("The Altman Group"), in the enclosed postage-prepaid envelope. Submitting the proxy will not affect your right to attend the Annual Meeting and vote in person.

**QUESTIONS & ANSWERS ABOUT VOTING PROCEDURES**

*How do I vote in person if I am a record holder?*

If you hold shares of Bancorp common stock on the Record Date you may attend the Annual Meeting and vote in person.

*How do I vote by proxy if I am a record holder?*

To vote by proxy, you should complete, sign and date the enclosed **WHITE** proxy card and return it promptly in the enclosed postage-prepaid envelope. To be able to vote your shares in accordance with your instructions at the Annual Meeting, Ms. Childress's and Ms. Bates's solicitor must receive your proxy as soon as possible but, in any event, prior to the meeting. You may vote your shares without submitting a proxy, if you vote in person.

**Table of Contents**

*What if I am not the record holder of my shares?*

If your shares are held in the name of a brokerage firm, bank nominee or other institution, only it can give a proxy with respect to your shares. You may have received either a **WHITE** proxy card from the record holder (which you can complete and send directly to The Altman Group) or an instruction card (which you can complete and return to the record holder to direct its voting of your shares). If the record holder has not sent you either a **WHITE** proxy card or an instruction card, you may contact the record holder directly to provide it with instructions. You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple **WHITE** proxy cards or voting instruction cards. For example, if you hold shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which your shares are held. You should complete, sign, date and return each **WHITE** proxy card and voting instruction card you receive.

You may also receive a non-white proxy or voting instruction card that is being solicited by the Company's board of directors. Ms. Childress and Ms. Bates urge you to discard any non-white proxy card or voting instruction card sent to you by the Company. If you have previously signed a non-white proxy card or voting instruction card sent by the Company, we urge you to sign, date and promptly mail the enclosed **WHITE** proxy card or voting instruction card before the Annual Meeting. By doing so, you will revoke any earlier dated proxy card or voting instruction card solicited by the Company's board of directors. **It is very important that you date your proxy.** It is not necessary to contact the Company for your revocation to be effective.

If you have questions or need assistance, please contact The Altman Group at (866) 387-0017 (Record Holders) or (201) 806-7300 (Bank and Brokers).

*What is a "legal proxy," and when would I need one?*

If you do not have record ownership of your shares and want to vote in person at the Annual Meeting, or if you are voting for someone else at the Annual Meeting, you may obtain a document called a "legal proxy" from the record holder of the shares or such other person and bring it to the Annual Meeting. If you need assistance, please contact The Altman Group at (866) 387-0017 (Record Holders) or (201) 806-7300 (Bank and Brokers)

*What should I do if I receive a non- white proxy card from Bancorp's management?*

Proxies on the non-white proxy card are being solicited by the Company's management. If you submit a proxy to us by signing and returning the enclosed **WHITE** proxy card, do not subsequently sign or return the non-white proxy card or follow any voting instructions provided by the Company, unless you intend to change your vote, because only your latest dated proxy will be counted.

If you have already sent a non-white proxy card to the Company, you may revoke it and vote with Ms. Childress by signing, dating and returning the enclosed **WHITE** proxy card.

*What if I want to revoke my proxy or change my voting instructions?*

If you give a proxy, you may revoke it at any time before it is voted on your behalf. If you hold shares in your own name (i.e., not through a bank or brokerage firm), you may revoke the prior proxy by:

- delivering a later dated proxy to Ms. Childress's and Ms. Bates's proxy solicitor, using the enclosed postage-prepaid envelope; or
- delivering a later dated proxy to the Secretary of Bancorp; or
- delivering a written revocation to either Ms. Childress's and Ms. Bates's proxy solicitor or the Secretary of Bancorp; or
- voting in person at the Annual Meeting.

If you hold your shares in street name, you may change your vote by:

- submitting a new proxy card or voting instruction form to your broker or nominee; or
- attending the Annual Meeting and voting in person, provided you have obtained a signed legal proxy from the record holder giving you the right to vote your shares.

If you choose to revoke a proxy by giving written notice or a later-dated proxy to the Secretary of Bancorp or by submitting new voting instructions to your broker or nominee, Ms. Childress and Ms. Bates would appreciate if you would assist us in representing the interests of stockholders on an informed basis by either sending The Altman Group a copy of your revocation, proxy or new voting instructions or by calling them at (866) 387-0017 (Record Holders) or (201) 806-7300 (Bank and Brokers). Remember, your latest-dated proxy is the only one that counts.

**Table of Contents**

*If I plan to attend the Annual Meeting, should I still submit a proxy?*

Whether you plan to attend the Annual Meeting or not, we urge you to submit a **WHITE** proxy. Returning the enclosed proxy card will not affect your right to attend the Annual Meeting and vote.

*Who can vote?*

You are eligible to vote or to execute a proxy only if you owned shares of common stock of the Company on the Record Date. Even if you sell your shares after the Record Date, you will retain the right to execute a proxy in connection with the Annual Meeting. It is important that you grant a proxy regarding shares you held on the Record Date, or vote those shares in person, even if you no longer own those shares. According to the Company's current report on Form 10K filed with the Securities and Exchange Commission on March 13, 2008, approximately 9,591,088 shares of the Company's common stock were issued and outstanding as of January 31, 2008.

*How many votes do I have?*

With respect to each matter to be considered at the Annual Meeting, you are entitled to one vote for each share of common stock owned on the Record Date. Based on documents publicly filed by the Company, the Company's only outstanding voting securities are its common stock.

*How will my shares be voted?*

If you give a proxy on the accompanying **WHITE** proxy card with instructions, your shares will be voted as you direct. If you submit a signed **WHITE** proxy card to Ms. Childress's and Ms. Bates's proxy solicitor without instructions, your shares will be voted **FOR** the election of Ms. Childress as a Class I director of Bancorp and proxies held by Ms. Childress will vote **FOR** any proposal by Ms. Childress to adjourn the meeting, unless the signed **WHITE** proxy contains instructions to the contrary. Submitting a signed **WHITE** proxy card without instructions will entitle Ms. Childress to vote your shares in her discretion on matters not described in this proxy statement that Ms. Childress does not know, a reasonable time before this solicitation, are to be presented at the Annual Meeting and that properly come before the Annual Meeting, or any adjournment or postponement thereof.

If Bancorp stockholders holding shares of Bancorp stock in street name do not provide voting instructions, their shares will not be voted and will therefore be considered broker "non-votes."

Unless a signed proxy specifies otherwise, it is presumed to relate to all shares held of record on the Record Date by the person who submitted it.

***What is a quorum and why is it necessary?***

A quorum of stockholders is necessary to have a valid stockholders' meeting. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of stock entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions and broker "non-votes" will have no effect on the election of directors. A "non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a proposal because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Shares held by the Company in its treasury do not count toward the quorum.

***What vote is required to elect a director and approve each proposal and how will votes be counted?***

The Company currently has eight directors, each of whom serves for a two-year term or until his or her successor is elected and qualified, or until such individual's earlier resignation or removal. The Company's common stock is the only class of securities entitled to be voted at the Annual Meeting. The common stockholders have the right to elect 4 directors at the Annual Meeting. Each stockholder is entitled to one vote for each share of common stock held of record by such stockholder as of the close of business on the Record Date. Directors elected by the common stockholders are elected by the affirmative vote of stockholders holding a plurality of shares of common stock, in attendance at the meeting, either in person or by proxy.

***Can the meeting be adjourned or postponed?***

The Company's Bylaws provide that, if a quorum is not present, a stockholders' meeting may be adjourned, from time to time and without notice other than announcement at the meeting, by those stockholders present in person, until a quorum is present. If adjournment is for more than 30 days or if, after the adjournment, a new record date is set, a notice of the adjourned meeting must be given to each stockholder entitled to vote at the meeting.

***How can I receive more information?***

If you require assistance or have questions about giving your proxy or about this proxy solicitation by Ms. Childress and Ms. Bates, please call The Altman Group at (866) 387-0017 (Record Holders) or (201) 806-7300 (Bank and Brokers).

**Table of Contents**

**PROXY REVOCATION RIGHTS**

Any stockholder who has executed and returned a proxy, whether solicited by the Company or by Ms. Childress and Ms. Bates, may revoke it at any time before the proxy is voted. A proxy may be revoked by sending a written revocation of such proxy to Ms. Childress or to the Secretary of the Company, by submitting another proxy with a later date marked on it, or by appearing in person at the Annual Meeting and voting. If, however, you hold your shares through a bank or broker and wish to vote at the Annual Meeting, you will need to obtain a legal proxy from that firm in order to be able to vote in person. Attendance at the meeting will not, by itself, revoke a proxy unless you actually vote at the meeting.

**Remember, only the latest dated proxy card will be counted. Therefore, Ms. Childress and Ms. Bates urge you to sign and return the WHITE proxy card accompanying this proxy statement.**

There is no limit on the number of times that a stockholder may revoke a proxy prior to the Annual Meeting. If you send written revocation of your proxy to the Secretary of the Company, Ms. Childress and Ms. Bates request that you send either the original or a copy of that revocation to The Altman Group at the address on the last page of this proxy statement. This will allow Ms. Childress and Ms. Bates to more accurately determine if and when the requisite number of proxies have been received.

**PLEASE NOTE**, that in order to vote **FOR** the election of Ms. Childress as a Class I director of Bancorp, you will need to complete and return the WHITE proxy card, regardless of whether or not you send a revocation.

**PROXY SOLICITATION AND EXPENSES**

Proxies may be solicited by mail, telephone, telefax, telegraph, e-mail, newspapers and other publications of general distribution and in person. In connection with this solicitation of proxies, banks, brokers, custodians, nominees, other institutional holders and other fiduciaries will be asked to forward all soliciting materials to the beneficial owners of the shares that those institutions hold of record. Ms. Childress and Ms. Bates will reimburse those institutions for reasonable expenses that they incur in connection with forwarding these materials.

Ms. Childress has retained The Altman Group, Inc. to solicit proxies in connection with the Annual Meeting. The Altman Group, Inc. may solicit proxies from individuals, banks, brokers, custodians, nominees, other institutional holders and other fiduciaries. Ms. Childress has agreed to reimburse The Altman Group, Inc. for its reasonable expenses and to pay it fees in connection with the proxy solicitation. It is currently expected that the fees payable to The Altman Group, Inc. in connection with this proxy solicitation will not exceed \$25,000. To date, The Altman Group has received \$12,500 for its services.

In addition to the costs related to the engagement of The Altman Group, Inc., costs related to this solicitation of proxies include expenditures for printing, postage, legal services and other related items. Ms. Childress and Ms. Bates are bearing the entire expense of this proxy solicitation. Total expenditures are expected to be approximately \$\_\_,000 to \$\_\_,000. Total payments of costs to date are approximately \$26,000.

Edgar Filing: SIERRA BANCORP - Form PRRN14A

Ms. Childress will seek reimbursement of all solicitation expenses from the Company and does not currently intend to seek a vote of the stockholders for approval of such reimbursement.



**Table of Contents**

**INFORMATION ABOUT THE PARTICIPANTS IN THIS SOLICITATION OF PROXIES**

This proxy solicitation is being conducted by Ms. Childress and her sister, Carol Bates, both of whom are described above. As a group, they beneficially own approximately 12.7% of the outstanding Common Stock of the Company. Each of them is deemed to be a participant (the "Participants") in this proxy solicitation within the meaning of the federal securities laws. The percentages used herein, unless otherwise stated, are based upon 9,591,088 shares of Common Stock outstanding on January 31, 2008 as reported by the Company in its Annual Report on Form 10K filed March 13, 2008. The relationship and ownership discussed below are only in respect to beneficial ownership of the Common Stock.

Additional information concerning Ms. Childress and Ms. Bates is set forth in Annex A to this proxy statement. Information concerning Ms. Childress's and Ms. Bates's beneficial ownership of Bancorp common stock is set forth in Annex B to this proxy statement. All information contained in Annexes A and B is incorporated into this proxy statement by reference. Information in this proxy statement about Ms. Childress was provided by Ms. Childress and information about Ms. Bates was provided by Ms. Bates.

**GROUP AGREEMENTS**

Ms. Childress and Ms. Bates have a verbal agreement to work together and share the expense of this solicitation of proxies in support of the election of Ms. Childress at the 2008 Annual Meeting of Shareholders. If Ms. Childress is elected, Ms. Bates will not receive any compensation from Ms. Childress and Ms. Childress will be paid only such fees as are established by the existing board of directors for non-employee directors.

**INFORMATION ABOUT SIERRA BANCORP**

Based upon information provided in Bancorp's Form 10-K, the mailing address of Bancorp's principal executive office is 86 North Main Street, Porterville, California 93257, telephone (559) 782-4900.

Except as otherwise noted herein, the information in this proxy statement concerning Bancorp has been taken from or is based upon documents and records on file with the Securities and Exchange Commission and other publicly available information. Although Participants do not have any knowledge indicating that any statement contained herein is untrue, Participants do not take any responsibility for the reliability or completeness of statements taken from public documents and records that were not prepared by or on her behalf, or for any failure by Bancorp to disclose events that may affect the significance or accuracy of such information.

**PROPOSALS OF SHAREHOLDERS**

Under certain circumstances, shareholders are entitled to present proposals at shareholder meetings. Any such proposal concerning Bancorp's 2009 Annual Meeting of Shareholders must be submitted by a shareholder prior to December 29, 2008 in order to qualify for inclusion in Bancorp's proxy statement relating to such meeting. The submission by a shareholder of a proposal does not guarantee that it will be included in the proxy statement. Shareholder proposals are subject to certain regulations and requirements under federal securities laws.

The persons named as proxies for the 2009 Annual Meeting of Shareholders will have discretionary authority to vote on any shareholder proposal which is not included in Bancorp's proxy materials for the meeting, unless Bancorp receives notice of the proposal by March 13, 2009. If Bancorp receive proper notice by that date, the proxy holders will not have discretionary voting authority except as provided in federal regulations governing shareholder proposals.

The information set forth above regarding the procedures for submitting stockholder proposals for consideration at Bancorp's 2009 annual meeting of stockholders is based on information contained in the Company's proxy statement. The incorporation of this information in this Proxy Statement should not be construed as an admission by us that such procedures are legal, valid or binding.

**OTHER MATTERS TO BE VOTED UPON**

The **WHITE** proxy card provides you the opportunity to vote on the Company's proposals, other than the election of directors by the Company's stockholders. For more information about these proposals, please refer to the proxy statement and form of proxy to be distributed by the Company.

**If no direction is given, proxies held by Ms. Childress will vote FOR, and recommends that common stockholders vote FOR the following proposals:**

- **Proposal 1** - Election of Patricia L. Childress as a Class I Director,
- **Proposal 2** - Grant of discretionary authority to adjourn meeting to solicit additional votes

Proxies held by Ms. Childress will vote FOR any proposal by Ms. Childress to adjourn the meeting, unless the signed **WHITE** proxy contains instructions to the contrary.

**Table of Contents**

**YOUR VOTE IS IMPORTANT.**

**Your vote could determine if the stockholders have an adequate voice in the affairs of this Company.  
Let your voice be heard.**

**Please mark, sign and date the enclosed WHITE proxy card and return it promptly in the enclosed  
postage-prepaid envelope.**

\* \* \* \* \*

Questions or requests for additional copies of this proxy statement should be directed to:

**The Altman Group**

**(866) 387-0017 (Record Holders)**

**(201) 806-7300 (Bank and Brokers)**

**JUDGMENTS, ESTIMATES AND FORWARD-LOOKING STATEMENTS**

The views expressed in this proxy statement are judgments, which are subjective in nature and, in certain cases, forward-looking in nature. This proxy statement may also contain estimates made without the benefit of actual measurement. Forward-looking statements and estimates by their nature involve risks, uncertainties and assumptions. Forward-looking statements and estimates are inherently speculative in nature and are not guarantees of actual measurements or of future developments. Actual measurements and future developments may and should be expected to differ materially from those expressed or implied by estimates and forward-looking statements. Ms. Childress and Ms. Bates do not assume any obligation and do not intend to update these forward-looking statements. The information contained in this proxy statement does not purport to be an appraisal of any business or business unit or to necessarily reflect the prices at which any business or business unit or any securities actually may be bought or sold. In addition, where quotations have been used, permission to use such quotations was neither sought nor obtained.

The views expressed in this proxy statement are those of Ms. Childress and Ms. Bates. These views are premised on not only Ms. Childress's and Ms. Bates's individual business and financial experience but more importantly, on their expectations for future Company performance. However, your personal expectations for the Company could differ from those of Ms. Childress and Ms. Bates. Thus, the views expressed in this proxy statement do not constitute a recommendation by Ms. Childress nor Ms. Bates to any holder of shares of Bancorp common stock with respect to how such stockholder should vote his or her shares. Instead, Ms. Childress and Ms. Bates recommend that, prior to voting by proxy or in person at the Annual Meeting, each stockholder analyze the views expressed herein in conjunction with his/her/its own expectations for the Company's future performance and profitability.

**Table of Contents**

**ANNEX A**

**RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN STOCKHOLDERS  
WHO MAY BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES**

Ms. Patricia L. Childress and Ms. Carol A. Bates, as concerned stockholders, are participants in the solicitation of proxies for the Annual Meeting, as that term is defined under federal securities laws.

Neither Ms. Childress nor Ms. Bates currently holds any position or office with the Company. Furthermore, no arrangements or understandings exist between Ms. Childress or Ms. Bates and any other person with respect to any future employment by the Company or its affiliates or any future transactions to which the Company or its affiliates will or may be a party. No arrangements or understandings exist with any person at the Company or its affiliates pursuant to which Ms. Childress is to be elected as a Class I director. Neither Ms. Childress nor Ms. Bates have any family relationship with any director or executive officer of the Company. Neither Ms. Childress nor Ms. Bates are and have not been engaged in any legal proceedings in the past ten years relating to bankruptcy, criminal proceedings, violations of the securities laws, violations of the Federal commodities laws, or injunctions from engaging in certain business activities. Neither has been convicted in a criminal proceeding during the past ten years. Additionally, neither Ms. Childress nor Ms. Bates are, nor is any associate of either, a party adverse to the Company in a material proceeding, nor does either Ms. Childress or Ms. Bates otherwise have a material interest adverse to the Company.

Except as described in the paragraphs that follow, neither Ms. Childress nor Ms. Bates has, nor does any company with which Ms. Childress or Ms. Bates are associated have, any business relationship with the Company. Other than with respect to their verbal agreement to work together in this proxy solicitation, neither is a party to a contract, arrangement or understanding with any person with respect to any securities of the Company. Neither Ms. Childress nor Ms. Bates are and have not in the last year, nor has any family member of either, been indebted to the Company for an amount exceeding \$120,000 and does not have any interest in any transactions, involving an amount exceeding \$120,000, to which the Company is a party.

Based upon applicable definitions of independence of directors established by the SEC and the National Association of Securities Dealers, Ms. Childress is independent from the Company. Ms. Childress neither accepts compensatory fees from Bancorp or its subsidiary, Bank of the Sierra, nor does her beneficial ownership of Bancorp stock as disclosed herein give the power to direct or cause the direction of management or the policies of Bancorp. Should she be elected, she would be one of eight votes on the board of directors.

Ms. Childress is the record holder of 632,942 shares and may be deemed to beneficially own 665,615 shares of common stock of the Company. Ms. Bates is the record holder of 516,451 shares and may be deemed to beneficially own 549,124 shares of common stock of the Company. Additional information regarding Ms. Childress and Ms. Bates has been publicly disclosed in the Company's proxy statements and Ms. Childress's and Ms. Bates's filings under the Securities Exchange Act of 1934, as amended. Ms. Childress's and Ms. Bates's address is: c/o Tisdale & Nicholson, LLP, 2029 Century Park East, Suite 900, Los Angeles, California 90067. Set forth below in Annex C is a list of purchases and sales of Bancorp shares by either Ms. Childress or Ms. Bates within the last two years.

**Table of Contents**

**ANNEX B**

**SECURITY OWNERSHIP OF CERTAIN**

**BENEFICIAL OWNERS AND MANAGEMENT**

The following tables set forth, based solely upon publicly available documentation filed with the Securities and Exchange Commission, certain information as to the beneficial ownership of Bancorp stock as of March 24, 2008 of:

- each person who owns beneficially more than 5% of any class of the Company's Common Stock,
- each of the Company's directors, and
- all current directors and executive officers of the Company as a group.

| (1) Title of class | (2) Name and address of beneficial owner                                                                                          | (3) Amount and nature of beneficial ownership | (4) Percent of class |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------|
| Common Stock       | Patricia L. Childress<br>c/o Tisdale & Nicholson, LLP<br><br>2029 Century Park East<br><br>Suite 900<br><br>Los Angeles, CA 90067 | 665,615 (1)(2)                                | 7.0 %                |
| Common Stock       | Carol A. Bates<br><br>c/o Tisdale & Nicholson, LLP<br><br>2029 Century Park East<br><br>Suite 900<br><br>Los Angeles, CA 90067    | 549,124(1)(3)                                 | 5.7 %                |

Edgar Filing: SIERRA BANCORP - Form PRRN14A

- 1 As disclosed in this proxy statement, Participants have entered into an oral agreement with respect to the voting of their shares at the Meeting. According to the agreement, Ms. Bates has agreed to vote her shares for the election of Ms. Childress and to provide financial and personal assistance to further this goal, as a result of which these individuals are deemed to be acting in concert as a group for the purposes of changing of influencing the control of the Company.
- 2 Ms. Childress has sole voting power with respect to 632,942 shares; shared voting power with respect to 32,673 shares; sole dispositive power with respect to 649,048 shares; and shared dispositive power with respect to 6,000 shares.
- 3 Ms. Bates has sole voting power with respect to 516, 451 shares; shared voting power with respect to 32,673 shares; sole dispositive power with respect to 527, 018 shares; and shared dispositive power with respect to 6,000 shares. >

The following table sets forth certain information as of March 24, 2008 with respect to (i) each of the persons nominated by Bancorp's board of directors for election as directors, (ii) each of Bancorp's directors and executive officers, and (iii) Bancorp's directors and executive officers as a group:

| Name, Address and Offices                                      | Principal Occupation                                                     | Age | Term to Expire/<br>Director Since | Common Stock Beneficially Owned on<br>March 24, 2008 |                                   |                                               |
|----------------------------------------------------------------|--------------------------------------------------------------------------|-----|-----------------------------------|------------------------------------------------------|-----------------------------------|-----------------------------------------------|
|                                                                |                                                                          |     |                                   | Number of Shares <sup>2</sup>                        | Vested Option Shares <sup>3</sup> | Percentage of Shares Outstanding <sup>4</sup> |
| <b>Held with the Company<sup>1</sup></b>                       | <b>for the Past Five Years</b>                                           |     |                                   |                                                      |                                   |                                               |
| Morris A. Tharp Chairman of the Board                          | President and Owner, E.M. Tharp, Inc. (Truck Sales and Repair)           | 68  | 2010/<br>2000                     | 434,480                                              | 65,000                            | 5.21%                                         |
|                                                                |                                                                          |     | (1977) <sup>5</sup>               |                                                      |                                   |                                               |
| Albert L. Berra Director                                       | Orthodontist/Rancher                                                     | 67  | 2009/<br>2000                     | 293,787 <sup>6</sup>                                 | 30,000                            | 3.39%                                         |
|                                                                |                                                                          |     | (1977) <sup>5</sup>               |                                                      |                                   |                                               |
| Robert L. Fields Director                                      | Investor (formerly Owner, Bob Fields Jewelers)                           | 80  | 2010/<br>2000                     | 530,949                                              | 5,000                             | 5.63%                                         |
|                                                                |                                                                          |     | (1982) <sup>5</sup>               |                                                      |                                   |                                               |
| James C. Holly President, Chief Executive Officer and Director | President and Chief Executive Officer, Bank of the Sierra                | 67  | 2010/<br>2000                     | 508,104 <sup>7</sup>                                 | 5,000                             | 5.39%                                         |
|                                                                |                                                                          |     | (1977) <sup>5</sup>               |                                                      |                                   |                                               |
| Vincent L. Jurkovich Director                                  | President, Porterville Concrete Pipe, Inc.                               | 80  | 2009/<br>2000                     | 147,450                                              | 94,500                            | 2.52%                                         |
|                                                                |                                                                          |     | (1977) <sup>5</sup>               |                                                      |                                   |                                               |
| Lynda B. Searcy Director                                       | Tax Partner, McKinley Searcy Associates (accounting and consulting firm) | 62  | 2010/<br>2007                     | 2,368 <sup>8</sup>                                   | -                                 | 0.02%                                         |
|                                                                |                                                                          |     | (2007) <sup>5</sup>               |                                                      |                                   |                                               |

(Table continues and footnotes appear on following page.)

Edgar Filing: SIERRA BANCORP - Form PRRN14A

| Name, Address and Offices<br>Held with the Company <sup>1</sup> | Principal Occupation<br>for the Past Five Years                | Age | Term to<br>Expire/<br>Director<br>Since | Common Stock<br>Beneficially Owned on<br>March 24, 2008 |                                         |                                                     |
|-----------------------------------------------------------------|----------------------------------------------------------------|-----|-----------------------------------------|---------------------------------------------------------|-----------------------------------------|-----------------------------------------------------|
|                                                                 |                                                                |     |                                         | Number<br>of<br>Shares <sup>2</sup>                     | Vested<br>Option<br>Shares <sup>3</sup> | Percentage<br>of Shares<br>Outstanding <sup>4</sup> |
| Robert H. Tienken                                               | Retired                                                        | 88  | 2009/<br>2000                           | 190,311                                                 | 25,000                                  | 2.26%                                               |
| Director                                                        | (formerly Realtor/Farmer)                                      |     | (1977) <sup>5</sup>                     |                                                         |                                         |                                                     |
| Gordon T. Woods                                                 | Owner,                                                         | 72  | 2009/<br>2000                           | 31,386 <sup>9</sup>                                     | 30,000                                  | 0.64%                                               |
| Director                                                        | Gordon T. Woods Construction                                   |     | (1977) <sup>5</sup>                     |                                                         |                                         |                                                     |
| Kenneth R. Taylor                                               | Executive Vice President                                       | 48  | n/a                                     | 3,500                                                   | 21,400                                  | 0.26%                                               |
| Executive Vice President and<br>Chief Financial Officer         | and Chief Financial Officer,<br>Bank of the Sierra             |     |                                         |                                                         |                                         |                                                     |
| James F. Gardunio                                               | Executive Vice President                                       | 57  | n/a                                     | -                                                       | 15,000                                  | 0.16%                                               |
| Executive Vice President and<br>Chief Credit Officer            | and Chief Credit Officer,<br>Bank of the Sierra <sup>10</sup>  |     |                                         |                                                         |                                         |                                                     |
| Kevin J. McPhaill                                               | Executive Vice President                                       | 35  | n/a                                     | 6,510 <sup>12</sup>                                     | 3,400                                   | 0.10%                                               |
| Executive Vice President<br>and Chief Banking Officer           | and Chief Banking Officer,<br>Bank of the Sierra <sup>11</sup> |     |                                         |                                                         |                                         |                                                     |
| Directors and<br>Executive Officers as a Group<br>(11 persons)  |                                                                |     |                                         | 2,148,845                                               | 294,300                                 | 24.89%                                              |

- 1 All offices held apply to both Sierra Bancorp and the Bank of the Sierra unless otherwise indicated. The business address of each of the executive officers and directors is 86 North Main Street, Porterville, California 93257.
- 2 Except as otherwise noted, may include shares held by such person's spouse (except where legally separated) and minor children, and by any other relative of such person who has the same home; shares held in "street name" for the benefit of such person; shares held by a family trust as to which such person is a trustee and primary beneficiary with sole voting and investment power (or shared power with a spouse); or shares held in an Individual Retirement Account or pension plan as to which such person is the sole beneficiary and has pass-through voting rights and investment power.
- 3 Represents option shares which are vested or will vest within 60 days of March 24, 2008 pursuant to the Company's Stock Incentive Plan.
- 4 This percentage is based on the total number of shares of the Company's common stock outstanding (9,521,273), plus the numbers of option shares for the applicable individual or group which are vested or will vest within 60 days of March 24, 2008 pursuant to the Company's Stock Incentive Plan.

Edgar Filing: SIERRA BANCORP - Form PRRN14A

- 5 Year first elected or appointed a director of Bank of the Sierra.
- 6 Includes 80,000 shares held by Berra Investments, a limited partnership in which Dr. Berra and his wife are general partners; and 18,036 shares held by the Albert L. Berra, DDS Profit Sharing Plan, of which Dr. Berra is trustee; as to all of which shares he has sole voting and dispositive power.
- 7 Includes 30,000 shares held by Holly Farms, L.P., a limited partnership of which Mr. Holly is a general partner, as to which shares he has sole voting power and shared dispositive power. Also includes 126,694 pledged shares.
- 8 Includes 50 shares held by a special needs trust of which Ms. Scearcy is successor trustee, as to which shares she has sole voting and dispositive power.
- 9 Does not include 134,598 shares held by Filinco, Ltd., as to which shares Mr. Woods' spouse and daughters have sole voting and investment power and as to which Mr. Woods disclaims beneficial ownership.
- 10 Mr. Gardunio was appointed Senior Vice President and Chief Credit Officer on February 7, 2005. Previously, he served as First Vice President and Special Assets Manager at Community Bank of Central California in Salinas, California since August 2002.
- 11 Mr. McPhaill was appointed Executive Vice President and Chief Banking Officer on January 1, 2006. Previously, he served as Vice President at Bank of the Sierra's Hanford Branch from June 2001 through December 2005.
- 12 All of these shares are pledged.



Table of Contents

ANNEX C

**PURCHASE AND SALE OF SECURITIES BY  
MS. CHILDRESS AND MS. BATES**

The following table sets forth information with respect to purchases and sales by Ms. Childress and Ms. Bates during the past two years. The transactions listed below were made on the open market at market prices.

**SIERRA BANCORP**

| <b>Name</b>               | <b>Date</b> | <b>Purchase</b> | <b>Sale</b> |
|---------------------------|-------------|-----------------|-------------|
| <b>Patricia Childress</b> | 1/3/2008    | 2500            |             |
|                           | 1/3/2008    | 861             |             |
|                           | 1/3/2008    | 639             |             |
|                           | 1/4/2008    | 1000            |             |
|                           | 1/4/2008    | 1343            |             |
|                           | 1/4/2008    | 700             |             |
|                           | 1/4/2008    | 400             |             |
|                           | 1/16/2008   | 2000            |             |
|                           | 3/1/2008    | 1000            |             |
|                           | 4/2/2008    | 305             |             |
|                           | 4/3/2008    | 2195            |             |
|                           | 4/3/2008    | 1300            |             |
|                           | 4/4/2008    | 1200            |             |
|                           |             |                 |             |
| <b>Carol Bates</b>        | 1/18/2008   | 2000            |             |
|                           | 1/18/2008   | 1501            |             |
|                           | 1/18/2008   | 496             |             |
|                           | 3/03/2008   | 250             |             |
|                           |             |                 |             |
|                           |             |                 |             |
|                           |             |                 |             |



**Table of Contents**

**In their discretion, the Proxy is authorized to vote upon such other business as may properly come before the meeting, or any adjournment or postponements thereof, as set forth in the proxy statement provided herewith.**

Please sign your name exactly as it appears hereon or on your proxy cards previously sent to you. When shares are held by joint tenants, both should sign. When signing as an attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporation name by the President and other duly authorized officer. If a partnership, please sign in partnership name by authorized person. This proxy card votes all shares held in all capacities.

Dated:

Signature

Signature, if held jointly

Title:

**PLEASE SIGN, DATE, AND MAIL THIS PROXY CARD TODAY.**

The Altman Group, Inc.

1200 Wall Street West, 3rd Floor

Lyndhurst, NJ 07071

If you have any questions or need help voting your shares, please call

The Altman Group, Inc., toll free at:

(866) 387-0017 (Record Holders)

(201) 806-7300 (Banks and Brokers)