

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

**Filings Services**

Filed by a Party other than the Registrant

MAY 29 2008

Check the appropriate box:

**SNL Financial, LC**  
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- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

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**APR 21 2008**  
 By \_\_\_\_\_  
 PUBLIC INFORMATION ROOM

**Commerce National Bank**

\_\_\_\_\_  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(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 Rules 14a-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:

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(5) Total fee paid:

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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:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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Commerce National Bank

Electronic Voting Instructions

You can vote by Internet or telephone! Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 16, 2008.



Vote by Internet

- Log on to the Internet and go to www.investorvote.com
Follow the steps outlined on the secured website.



Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the United States, Canada & Puerto Rico any time on a touch tone telephone. There is NO CHARGE to you for the call.
Follow the instructions provided by the recorded message.

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.



Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proposals - The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.

Table with 3 columns of candidates (01-09) and 2 columns for 'For' and 'Withhold Authority' votes. Includes a plus sign on the right.

2. To ratify the appointment by the Board of Directors of Vavrinek, Trine, Day & Co., LLP as the Bank's independent public accountant and auditor for the fiscal year ending December 31, 2008.

Non-Voting Items

Change of Address - Please print new address below.

Empty box for printing a new address.

Authorized Signatures - This section must be completed for your vote to be counted. - Date and Sign Below

When signing as attorney, executor, officer, administrator, trustee or guardian, please give full title. If more than one trustee, all should sign. All joint owners must sign.

Date (mm/dd/yyyy) - Please print date below.

Box for printing the date.

Signature 1 - Please keep signature within the box.

Box for printing Signature 1.

Signature 2 - Please keep signature within the box.

Box for printing Signature 2.

1UPX CNBF1



▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼



## **Commerce National Bank**

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### **Proxy — Commerce National Bank**

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#### **PROXY FOR THE 2008 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 16, 2008**

#### **THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned holder of common stock acknowledges receipt of a copy of the Notice of 2008 Annual Meeting of Shareholders of COMMERCE NATIONAL BANK (the "Bank") and the accompanying Proxy Statement dated March 25, 2008, and revoking any Proxy heretofore given, hereby constitutes and appoints ALLEN L. BASSO, CAROLYN D. BEAVER and ROBERT H. SMITH, and each of them, with full power of substitution, as attorneys and proxies to appear and vote all of the shares of common stock of the Bank standing in the name of the undersigned which the undersigned could vote if personally present and acting at the 2008 Annual Meeting of Shareholders of the Bank, to be held at the Bank's Newport Beach Office, located at 4040 MacArthur Boulevard, Suite 100, Newport Beach, California 92660, on Friday, May 16, 2008, at 8:00 a.m., and at any adjournments or postponements thereof, upon the matters set forth on the reverse side hereof, as more fully described in the Notice of Meeting and Proxy Statement, and to vote according to their discretion on all other matters which may be properly presented for action at the meeting or any adjournments or postponements thereof.

**This proxy will be voted as directed by the Shareholder or, if no instructions are given by the Shareholder, the Proxy Holders will vote "FOR" each of the foregoing proposals.**

(Continued, and to be marked, dated and signed, on the other side)

COMMERCE NATIONAL BANK  
4040 MacArthur Boulevard, Suite 100  
Newport Beach, California 92660

(949) 474-1020

NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 16, 2008

NOTICE IS HEREBY GIVEN that pursuant to the call of the Board of Directors, the 2008 Annual Meeting of Shareholders (the "Meeting") of Commerce National Bank (the "Bank") will be held at the Bank's Headquarters Office, located at 4040 MacArthur Boulevard, Suite 100, Newport Beach, California, at 8:00 a.m. on Friday, May 16, 2008, and at any adjournment or adjournments thereof.

The matters to be considered and voted upon at the Meeting are:

1. **Election of Directors.** To elect the following nine persons to the Board of Directors of the Bank to serve until the 2009 Annual Meeting of Shareholders and until their successors are elected and have qualified:

Allen L. Basso  
Carolyn D. Beaver  
Burnie H. Dunlap  
Steven L. Hollstein  
William H. McAulay

Bernard E. Schneider  
Mark E. Simmons  
Robert H. Smith  
Donald P. Tormey

2. **Ratification of Appointment of Independent Public Accountants.** To ratify the appointment by the Board of Directors of Vavrinek, Trine, Day & Co., LLP ("VTD") as the Bank's independent public accountant for the year ending December 31, 2008.

3. **Other Business.** To transact such other business as may properly come before the Meeting and any adjournment(s) thereof.

The Board of Directors has fixed the close of business on March 19, 2008 as the record date for determination of shareholders entitled to notice of, and to vote at, the Meeting.

**RECEIVED**  
APR 21 2008  
BY ORDER OF THE BOARD OF DIRECTORS  
*Mark E. Simmons*  
By \_\_\_\_\_ Mark E. Simmons  
President and Chief Executive Officer

Newport Beach, California  
March 31, 2008

**RECEIVED**  
PUBLIC INFORMATION ROOM

**THE ENCLOSED PROXY IS SOLICITED BY THE BANK'S BOARD OF DIRECTORS. ANY SHAREHOLDER GIVING A PROXY MAY REVOKE IT PRIOR TO THE TIME IT IS VOTED BY FILING WITH THE SECRETARY OF THE BANK AN INSTRUMENT REVOKING IT OR A DULY EXECUTED PROXY BEARING A LATER DATE, OR BY ATTENDING THE MEETING AND VOTING IN PERSON. PLEASE INDICATE ON THE PROXY WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING SO THAT WE CAN ARRANGE ADEQUATE ACCOMMODATIONS.**

Pursuant to the bylaws of the Bank, nominations for election to the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing Board of Directors of the Bank, must be made in writing and must be delivered or mailed to the President of the Bank not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the Bank not later than the close of business on the seventh day following the day on which the notice of the meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of capital stock of the Bank that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of capital stock of the Bank owned by the notifying shareholder. Nominations not made in accordance herewith may be disregarded by the Chairperson of the Meeting, in his or her discretion, and, upon his or her instructions, the Judge of Election may disregard all votes cast for each such nominee.



**PROXY STATEMENT  
2008 ANNUAL MEETING OF SHAREHOLDERS  
OF  
COMMERCE NATIONAL BANK**

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**INTRODUCTION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board of Directors" or the "Board") of Commerce National Bank, a California national banking association (the "Bank", "we, our," or "us") to be used at our 2008 Annual Meeting of Shareholders (the "Meeting") and at any postponements or adjournments thereof. The Meeting is scheduled to be held at the Bank's Headquarters Office at 8:00 a.m. on Friday, May 16, 2008.

The address of our Headquarters Office is 4040 MacArthur Boulevard, Suite 100, Newport Beach, California, and our telephone number is (949) 474-1020.

The mailing of this Proxy Statement and the form of proxy being solicited by our Board of Directors will commence on or about March 31, 2008.

The cost of solicitation of proxies will be borne by the Bank. In addition to the solicitation made hereby, certain directors, officers and regular employees of the Bank may solicit proxies by telephone and personal interview.

**INFORMATION ABOUT THE MEETING AND VOTING**

**1. *What is being voted on at the Meeting?***

The matters to be considered and voted upon at the Meeting are:

- **Election of Directors.** The election of nine persons to serve as Directors of the Bank until the 2009 Annual Meeting of Shareholders and until their successors are elected and have qualified.
- **Ratification of Appointment of Independent Public Accountant and Auditor.** The ratification of Vavrinek, Trine, Day & Co., LLP as the independent public accountant and auditor for the Bank for the 2008 fiscal year.
- **Other Business.** The transaction of such other business as may properly come before the Meeting and any adjournment(s) thereof.

**2. *Who is entitled to vote?***

Only shareholders of record at the close of business on March 19, 2008 (the "Record Date") may vote at the Meeting. According to Computershare Limited, our transfer agent, there were 2,660,593 shares of our common stock outstanding as of the Record Date. Each share you hold has voting rights, including shares:

- held directly in your name as shareholder of record (also referred to as "registered shareholder"); and
- held for you in an account with a broker or other nominee (shares held in "street name").

**3. *What constitutes a quorum?***

The presence at the Meeting, in person or by proxy, of the holders of a plurality of the shares of common stock outstanding at the close of business on the Record Date will constitute a quorum for the transaction of business at the Meeting.

**4. *How many votes are required to approve each proposal? How many votes do I have?***

The election of directors requires a plurality of the votes cast for the election of directors. Accordingly, the nine directorships to be filled at the Meeting will be filled by the nominees receiving the highest number of votes. In the election of directors, votes may be cast in favor or withheld with respect to any or all nominees. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the vote.

Each holder of our common stock is entitled to one vote for each share recorded in his or her name on the books of the Bank as of the Record Date on any matter submitted to the shareholders for a vote, except that shareholders may vote their shares cumulatively for the election of directors if certain conditions are met at the Meeting. Cumulative voting provides each shareholder with a number of votes equal to the number of directors to be elected multiplied by the number of shares held by such shareholder, which such shareholder can then vote in favor of one or more nominees. For example, if you held 100 shares as of the Record Date, you would be entitled to 900 votes which you could then distribute among one or more nominees. Cumulative voting may only be exercised at the Meeting if (i) the name of the candidate or candidates for whom such votes would be cast has been placed in nomination prior to the voting; and (ii) at least one shareholder has given notice at the Meeting prior to the voting of such shareholder's intention to cumulate his/her votes.

The affirmative vote of the holders of at least a majority of the outstanding shares is required to approve the ratification of the selection of the independent public accountant and auditor for the 2008 fiscal year, and to approve any other matters properly brought before the Meeting. An abstention from voting will be treated as "present" for quorum purposes. However, since an abstention is not treated as a "vote" for or against the matter, it will not have any impact on the vote.

**5. *How are votes counted?***

You may either vote "FOR" or "WITHHOLD" authority to vote for each nominee for election to the Board. You may vote "FOR" "AGAINST" or "ABSTAIN" on the other proposals. Abstentions will be counted as present for purposes of determining the existence of a quorum. If you just sign and submit your proxy card without voting instructions, your shares will be voted "FOR" each director nominee and "FOR" the ratification of the appointment of Vavrinek, Trine, Day & Co., LLP as our independent public accountant and auditor for the 2008 fiscal year.

**6. *How does the Board recommend that I vote?***

The Board recommends that you vote your shares:

- "FOR" each of the nominees for election to the Board, and
- "FOR" the ratification of the appointment of Vavrinek, Trine, Day & Co., LLP as our independent public accountant and auditor for the 2008 fiscal year

**7. *How do I vote my shares without attending the annual meeting of shareholders?***

If you are a registered shareholder, you may vote without attending the Meeting by granting a proxy. This may be done by signing and dating the enclosed proxy card and mailing it in the envelope provided. You should

sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney, or officer of a corporation), you should indicate your name and title or capacity. If your shares are jointly owned by two or more persons, your proxy card will be valid if it is signed by any of the joint owners, unless we receive written notice from another joint owner either objecting to the authority of the first joint owner to appoint a proxy or appointing a different proxy. Proxy cards in the accompanying form, which are properly signed, duly returned to an officer of the Bank and not revoked in the manner described below, will be voted in the manner specified.

For shares held in street name, you will receive instructions from the broker or other nominee that you must follow in order for your shares to be voted. As noted above, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposals on which your broker does not have discretionary authority to vote.

**8. *How do I vote my shares in person at the annual meeting of shareholders?***

If you are a registered shareholder and prefer to vote your shares at the Meeting, bring the enclosed proxy card or proof of identification. You may vote shares held in street name only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares. Even if you plan to attend the Meeting, we encourage you to vote in advance by mail so that your vote will be counted if you later decide not to attend the Meeting. If you wish to vote in person at the Meeting and have previously submitted a proxy, you must deliver to an officer of the Bank a written notice of termination of the proxy's authority before the vote. Attendance at the Meeting will not itself revoke a previously granted proxy.

**9. *How do I change my vote?***

You may revoke your proxy instructions at any time prior to the vote at the Meeting by delivering to an officer of the Bank a written notice of termination of the proxy's authority or a properly signed proxy bearing a later date.

**10. *What does it mean if I receive more than one proxy card?***

It generally means you hold shares registered in more than one account. To ensure that all your shares are voted, sign and return each proxy card you receive.

**11. *How do I get more information about the Bank?***

With the Proxy Statement, we are also sending you our Annual Report for the fiscal year ended December 31, 2007, which includes our financial statements. If you did not receive our Annual Report and financial statements, we will send them to you without charge. Please write to Larry V. Sorensen, Executive Vice President and Chief Financial Officer, Commerce National Bank, 4040 MacArthur Boulevard., Suite 100, Newport Beach, California 92660. You may also send your request by facsimile to (949) 474-2010.

## **VOTING SECURITIES**

The number of shares of the Bank's common stock outstanding and entitled to vote at the Meeting is 2,660,593. Only those shareholders of record at the close of business on March 19, 2008 will be entitled to notice of and to vote at the Meeting. The presence in person or by proxy of a majority of the outstanding shares of stock entitled to vote at the Meeting will constitute a quorum for the purpose of transacting business at the Meeting. Abstentions and shares as to which voting authority has been withheld from any nominee will be counted for the purpose of determining the presence or absence of a quorum.

In the election of directors, the nine nominees receiving the highest number of votes will be elected. Each holder of common stock is entitled to one vote for each share standing in his/her name on the books of the Bank as of the record date on any matter submitted to the vote of the shareholders, except that, in the election of directors, the shares may be voted cumulatively. Cumulative voting enables a shareholder, as to any candidate whose names are placed in nomination prior to voting, to give one nominee for director as many votes as is equal to the number of directors to be elected multiplied by the number of shares which such shareholder is voting or to distribute his/her votes on the same principle among two or more nominees, as he/she sees fit. However, cumulative voting will be dispensed with unless a shareholder gives notice at the meeting, prior to the voting, of his or her intention to cumulate votes. If any one shareholder gives notice at the meeting, prior to the voting, of the shareholder's intention to cumulate votes, then all shareholders may cumulate their votes for candidates in nomination.

The affirmative vote of the holders of at least a majority of the outstanding shares is required to approve the ratification of the selection of the independent public accountant and auditor for the 2008 fiscal year. A majority of the shares voting at the meeting is required to approve any other matters properly brought before the Meeting. An abstention from voting will be treated as "present" for quorum purposes. However, since an abstention is not treated as a "vote" for or against the matter, it will not have any impact on the vote.

#### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

Management of the Bank knows of no person who owns, beneficially or of record, either individually or together with associates, five percent (5%) or more of the outstanding shares of the Bank's common stock.

The following table indicates the beneficial ownership of the Bank's common stock as of March 19, 2008 (the "Record Date"), by each of the directors and director nominees, executive officers of the Bank and by all directors and executive officers of the Bank as a group, based on the Bank's records and data supplied by each of the directors and executive officers. All shares are Bank common stock, the only class of equity outstanding. The shares "beneficially owned" are determined under Securities and Exchange Commission Rules, and do not necessarily indicate ownership for any other purpose. In general, beneficial ownership includes shares over which the director, named executive officer or principal shareholder has sole or shares voting or investment power and shares which such person has the right to acquire within 60 days of the Record Date. Unless otherwise indicated, the persons listed have sole voting and investment powers of the shares individually owned. Management is unaware of any arrangement which may, at a subsequent date, result in a change of control of the Bank.

<b>Name of Beneficial Owner</b>	<b>Number of Shares of Common Stock Beneficially Owned</b>	<b>Percentage of Outstanding Shares <sup>1</sup></b>
Allen L. Basso, Director .....	90,556 <sup>2</sup>	3.38%
Carolyn D. Beaver, Director .....	19,232 <sup>3</sup>	0.72%
Burnie H. Dunlap, Director.....	12,416 <sup>4</sup>	0.46%
Steven L. Hollstein, Director and Executive Officer .....	51,500 <sup>5</sup>	1.91%
William H. McAulay, Director .....	41,533 <sup>6</sup>	1.55%
Bernard E. Schneider, Director, Chairman, Executive Officer.....	63,961 <sup>7</sup>	2.37%
Mark E. Simmons, Director and Executive Officer.....	122,920 <sup>8</sup>	4.51%
Robert H. Smith, Director.....	81,666 <sup>9</sup>	3.04%
Larry V. Sorensen, Executive Officer.....	0 <sup>10</sup>	0%
Donald P. Tormey, Director .....	51,026 <sup>11</sup>	1.92%
All Directors and Executive Officers as a Group (10 in all).....	534,810	18.55%

<sup>1</sup> Except as noted in the footnotes to this table with respect to options which are currently exercisable, the percentages of ownership are based on 2,660,593 shares issued and outstanding as of March 19, 2008. Options to purchase shares of common stock held by a director or executive officer that were exercisable within 60 days after March 19, 2008 ("currently exercisable") are treated as outstanding for the purpose of computing the number and percentage of outstanding securities of the class owned by such person, but not for the purpose of computing the percentage of the class owned by any other person.

<sup>2</sup> Of Mr. Basso's options to purchase a total of 25,000 shares of the Bank's common stock, options to purchase 16,666 shares are currently exercisable and those 16,666 shares are included in his total of shares beneficially owned.

<sup>3</sup> Of Ms. Beaver's options to purchase a total of 25,000 shares of the Bank's common stock, options to purchase 13,332 shares are currently exercisable and those 13,332 shares are included in her total of shares beneficially owned.

<sup>4</sup> Of Mr. Dunlap's options to purchase a total of 20,000 shares of the Bank's common stock, options to purchase 11,666 shares are currently exercisable and those 11,666 shares are included in his total of shares beneficially owned.

<sup>5</sup> Of Mr. Hollstein's options to purchase a total of 38,500 shares of the Bank's common stock, options to purchase 33,500 shares are currently exercisable and those 33,500 shares are included in his total of shares beneficially owned.

<sup>6</sup> Of Mr. McAulay's options to purchase a total of 30,000 shares of the Bank's common stock, options to purchase 19,999 shares are currently exercisable and those 21,666 shares are included in his total of shares beneficially owned.

<sup>7</sup> Mr. Schneider exercised options to purchase 4,444 shares in 2004. Of Mr. Schneider's remaining options to purchase a total of 48,056 shares of the Bank's common stock, options to purchase 37,222 shares are currently exercisable and those 37,222 shares are included in his total of shares beneficially owned.

<sup>8</sup> Mr. Simmons exercised options to purchase 20,000 shares on December 4, 2006. Of Mr. Simmons' remaining options to purchase a total of 80,000 shares of the Bank's common stock, options to purchase 64,999 shares are currently exercisable and those 64,999 shares are included in his total of shares beneficially owned.

<sup>9</sup> Of Mr. Smith's options to purchase a total of 30,000 shares of the Bank's common stock, options to purchase 21,666 shares are currently exercisable and those 21,666 shares are included in his total of shares beneficially owned.

<sup>10</sup> Mr. Sorensen was appointed by the Board to the position of Executive Vice President and Chief Financial Officer of the Bank, effective October 22, 2007, the first day of his employment by the Bank, replacing René V. Garcia in that position. The Board granted options to Mr. Sorensen on October 26, 2007 to purchase a total of 35,000 shares of the Bank's common stock. None of Mr. Sorensen's options are exercisable within 60 days after March 19, 2008.

<sup>11</sup> Of Mr. Tormey's options to purchase 30,000 shares, he exercised options to purchase 4,444 shares in 2004, 8,888 shares in 2006 and 4,445 shares in 2007. Of Mr. Tormey's remaining options to purchase a total of 12,223 shares, options to purchase 3,889 shares are currently exercisable and those 3,889 shares are included in his total of shares beneficially owned.

**PROPOSALS**  
**PROPOSAL 1: ELECTION OF DIRECTORS**

**Nominees**

The Bylaws of the Bank provide that the authorized number of directors shall not be less than five nor more than 25 with the exact number of directors to be fixed from time to time by resolution of a majority of the full Board of Directors or by resolution of the shareholders. The number of directors has been fixed by the Board at nine. The Board is currently composed of nine directors. All of the present directors were elected to serve at the 2007 Annual Meeting of the Shareholders of the Bank held on May 23, 2007. Of the present nine directors, all have been nominated by the Board to stand for election.

The persons named in the following table will be nominated by the Board for election to serve as directors of the Bank until the 2009 Annual Meeting of Shareholders and until their successors have been elected and qualified. With respect to such election, absent any specific instruction in the proxies solicited by Management, the proxies will be voted in the sole discretion of the proxy holders to effect the election of all nine of the Board's nominees, or as many thereof as possible under the rules of cumulative voting if any persons are nominated other than by the Board. In the event that any of the Board's nominees are unable to serve as directors, it is intended that the Proxy will be voted for the election of such substitute nominees, if any, as shall be designated by the Board of Directors. The Board has no reason to believe that any of the nominees will be unable to serve. Additional nominations can only be made by complying with the notice provision set forth in the Bylaws of the Bank, an extract of which is included in the Notice of Annual Meeting accompanying this Proxy Statement.

<u>Name</u>	<u>Principal Occupation During the Past Five Years</u>	<u>Age</u>	<u>Year First Elected or Appointed Director</u>	<u>Positions Held During 2007</u>
Allen L. Basso Director and Director Nominee Capistrano Beach, CA	Certified Public Accountant, Smith, Linden & Basso, LLP, Newport Beach, California.	56	2005	Member, Audit Committee; Member, Loan Committee
Carolyn D. Beaver Director and Director Nominee Newport Beach, CA	Corporate Vice President, Controller & Chief Accounting Officer of Beckman Coulter, Inc. since 2005. Certified Public Accountant and audit partner with KPMG LLP from 1987 to 2002. From 2002 to 2005, she served as a consultant to Alpine Leasing, Inc., Newport Beach, California.	50	2005	Chair, Audit Committee; Member, Asset/Liability Management Committee

<b>Director Nominees (Continued)</b>				
<u>Name</u>	<u>Principal Occupation During the Past Five Years</u>	<u>Age</u>	<u>Year First Elected or Appointed Director</u>	<u>Positions Held During 2007</u>
Burnie H. Dunlap Director and Director Nominee Anaheim, CA	Director of Community and Government Relations of St. Jude Medical Center, Fullerton, California since 1997; Adjunct Professor at California State University, Fullerton; former member of the Brea City Council and former Mayor of Brea.	64	2003	Chair, Community Reinvestment Act/Compliance Committee; Member, Loan Committee; Member, Compensation and Governance Committee
Steven L. Hollstein Executive Vice President, Chief Credit Officer, and Corporate Secretary Director and Director Nominee Newport Beach, CA	Since December 2003, Executive Vice President and Chief Credit Officer of Commerce National Bank. Appointed Director in January 2007. Executive Vice President and Chief Credit Officer at CommerceWest Bank, N.A., Newport Beach, California from July 2002 through March 2003, when he left to join our Bank.	58	2007	Executive Vice President and Chief Credit Officer, Corporate Secretary and Director; Member, Loan Committee; Member, Asset/Liability Management Committee; Member, Community Reinvestment Act/Compliance Committee
William H. McAulay Director and Director Nominee Fullerton, CA	Chairman, President and Chief Executive Officer of McAulay & Wallace Mortuary, Inc.	58	2003	Member, Audit Committee; Member, Loan Committee; Member, Community Reinvestment Act/Compliance Committee

<b>Director Nominees (Continued)</b>				
<u>Name</u>	<u>Principal Occupation During the Past Five Years</u>	<u>Age</u>	<u>Year First Elected or Appointed Director</u>	<u>Positions Held During 2007</u>
Bernard E. Schneider Chairman of the Board, Director and Director Nominee Laguna Beach, CA	Attorney, Corona Del Mar, California; prior to forming his sole proprietorship law firm in July 2000, was a capital partner in the practice of law with McDermott, Will & Emery, Irvine, from 1993 to 2000; from 1983 to 1993, associated with the law firm of Buchalter Nemer Fields & Younger; served as Chairman of Pacific National Bank, Newport Beach, from 1993 until December 30, 1998, when Pacific National Bank was acquired by Western Bancorp, and as Chairman of Pacific National Bank's holding company, PNB Financial Group, from 1993 to December 30, 1998; served as a director of Western Bancorp until it was sold in November 1999; elected to the board of First American Trust, Federal Savings Bank, Santa Ana, in 2002.	61	2003	Chairman of the Board; Chair, Loan Committee; Member, Compensation and Governance Committee; Member, Asset/Liability Management Committee
Mark E. Simmons President and Chief Executive Officer, Director and Director Nominee Irvine, CA	Since 2003, President and Chief Executive Officer of Commerce National Bank. Served as an Independent Financial Analyst from June 2000 until beginning the organization of the Bank in 2002.	61	2003	President and Chief Executive Officer; Member, Loan Committee; Member, Asset/Liability Management Committee; Member, Community Reinvestment Act/Compliance Committee



<b>Director Nominees (Continued)</b>				
<u>Name</u>	<u>Principal Occupation During the Past Five Years</u>	<u>Age</u>	<u>Year First Elected or Appointed Director</u>	<u>Positions Held During 2007</u>
Robert H. Smith Director and Director Nominee La Canada Flintridge, CA	Principal, Robert H. Smith Investments and Consulting since 2004; principal, Smith & Crowley, Inc., a Pasadena merchant-banking firm, from 1992 to 2004; in 1992, retired as Director and Chief Operating Officer of Bank Americorp and Bank of America, NT & SA following a 31-year career with Security Pacific National Bank; served as Chairman and Chief Executive Officer of Security Pacific Corporation and its bank, Security Pacific National Bank, prior to their acquisition by Bank Americorp.	72	2003	Chair, Compensation and Governance Committee; Chair, Asset/Liability Management Committee; Member, Audit Committee
Donald P. Tormey Director and Director Nominee Yorba Linda, CA	Practicing Dentist, Fullerton, California, since 1959; member of numerous professional associations, including several positions with the St. Jude Medical Center, and involved in many community activities.	72	2003	Member, Audit Committee; Member, Compensation and Governance Committee

## **CORPORATE GOVERNANCE**

### **Board Matters**

Under Rule 4200(a)(15) of The NASDAQ Stock Market, Inc., "independent director" is defined to mean "a person other than an executive officer or employee of the company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director." The Board, using this definition to determine which of its directors are independent, has concluded that Allen L. Basso, Carolyn D. Beaver, Burnie H. Dunlap, William H. McAulay, Robert H. Smith and Donald P. Tormey are independent directors.

The Bank's shareholders may communicate with the Board or any of the individual directors by writing to them c/o Mark E. Simmons, President, Commerce National Bank, 4040 MacArthur Blvd., Suite 100, Newport Beach, California 92660. In addition, all communications that are received by the Bank's Chairman of the Board, Chief Credit Officer or Chief Financial Officer that are directed to the attention of the Board or any of its directors will be forwarded to the Board or the appropriate directors.

We have no formal policy regarding attendance by directors at our annual shareholders meetings, although most of our directors have historically attended our annual meetings. Eight of our current directors attended our 2007 Annual Meeting. All members of the Board have been encouraged to attend the 2008 Annual Meeting and, at present, the Board is unaware of anyone who will not be in attendance. Any shareholder who would like an opportunity to discuss issues directly with the Bank's directors should consider attending the Meeting described in this Proxy Statement.

### **The Board of Directors and Committees**

#### **Director Independence**

As noted above, the Board has determined that each of the Bank's directors is an independent director, as defined by the rules of The NASDAQ Stock Market, Inc., other than Mr. Schneider, Chairman of the Board, Mr. Simmons, President and Chief Executive Officer, and Mr. Hollstein, Executive Vice President and Chief Credit Officer.

#### **Audit Committee Financial Expert**

The Board has determined that the Bank has at least one audit committee financial expert. That member is Carolyn D. Beaver and the Board has determined that she is independent, as that term is defined in Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. A second member of the Board, Robert H. Smith, has also been determined by the Board to be an audit committee financial expert. The Board has also determined that Mr. Smith is independent, as defined in Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. and in Item 7(d)(3)(iv) of Schedule 14A under the Exchange Act.

#### **Standing Audit Committee**

The Bank has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Committee members are Carolyn D. Beaver, Chair, Allen L. Basso, Robert H. Smith, Donald B. Tormey and William H. McAulay.

### **Compliance with Section 16(a) of the Exchange Act**

The Bank does not have a class of equity securities registered pursuant to Section 12 of the Exchange Act, and is therefore not subject to the reporting requirements under Section 16(a) of the Exchange Act.

### **Attendance at Board and Committee Meetings**

During 2007 the Board of Directors held 12 regular meetings and one organizational meeting. In addition to meeting as a group to review the Bank's business, certain members of the Board of Directors also devoted their time and effort to certain standing committees. All incumbent directors attended at least 75 percent of the aggregate number of all meetings of the Board of Directors (held during the period for which he or she has been a director) and meetings held by all committees of the board on which he or she served (during the periods that he or she served).

### **Board Committees**

The Board of Directors of the Bank has established the following standing committees:

#### ***Audit Committee***

The Audit Committee is comprised of the following directors: Carolyn D. Beaver, Chair, Allen L. Basso, Robert H. Smith, Donald B. Tormey and William H. McAulay, all of whom are independent members as defined by Rule 4200(a)(15) of The NASDAQ Stock Market, Inc.

The purpose of the Audit Committee is:

- to review all internal and external examination reports
- to monitor the effectiveness of internal controls for financial reporting
- to establish and monitor procedures which will allow both complaints regarding questionable accounting or audit practices to be handled judiciously, and
- to recommend to the Board of the Directors the appointment of, and to be directly responsible for the compensation and oversight of the work of the Bank's independent certified public accountant

The Audit Committee met six times in 2007.

#### ***Loan Committee***

The Loan Committee is comprised of the following members of the Board and senior management: Bernard E. Schneider, Chair, Mark E. Simmons, William H. McAulay, Burnie H. Dunlap, Allen L. Basso and Steven L. Hollstein. The purpose of the Loan Committee is to review and approve credit requests above the authorized limits granted by the full board to management. The Committee met 25 times during 2007.

#### ***Compensation and Governance Committee***

The members of the Compensation and Governance Committee are Robert H. Smith, Chair, Burnie H. Dunlap, Bernard E. Schneider and Donald P. Tormey. This Committee met two times during the fiscal year ended December 31, 2007. The Committee is responsible for identifying, considering and recommending candidates to serve as members of the Board and making recommendations regarding the structure and composition of the Board and Board committees.

The Compensation and Governance Committee has been charged with the general responsibility to identify nominees for the Board based upon recommendations by the directors of the Bank and management. The Committee will also consider recommendations properly submitted by the shareholders of the Bank in accordance with the procedure set forth in the Bank's bylaws, as set forth in the Notice of this meeting. To date, the Bank has not received any such recommendations from its shareholders. Shareholders can recommend qualified candidates for election to the Board by writing to the Bank's president, as described in the Bank's bylaws, or to the Bank's corporate secretary at the following address: Steven L. Hollstein, Corporate Secretary, Commerce National Bank, 4040 MacArthur Blvd., Suite 100, Newport Beach, California 92660.

The goal of the Compensation and Governance Committee is to ensure that the Board of Directors possesses a variety of perspectives and skills derived from high-quality business and professional experience. The Committee seeks to achieve a balance of knowledge, experience and capability on the Board. To achieve this desired result, the Compensation and Governance Committee seeks nominees with the highest professional and personal ethics and values, an understanding of the banking business and industry, diversity of business experience and expertise, broad-based business acumen, and the ability to think strategically. Although the Compensation and Governance Committee uses these and other criteria to evaluate potential nominees, the Committee has no stated minimum criteria for nominees. The Committee does not use different standards to evaluate nominees depending on whether they are proposed by the Bank's directors and management or by the Bank's shareholders. To date, the Bank has not paid any third parties to assist the Bank in this process.

#### ***Asset/Liability Management Committee***

The Asset/Liability Management Committee is currently comprised of the following members of the Board and senior management: Robert H. Smith, Chair, Carolyn D. Beaver, Bernard E. Schneider, Mark E. Simmons, Steven L. Hollstein and Larry V. Sorensen. The purpose of the Asset/Liability Management Committee is to review in depth the Bank's financial affairs, including all investment securities as well as the composition and duration of all assets and liabilities of the Bank. In performing this function, the committee reviews and approves investments consistent with the Bank's Funds Management Policy and with its review of liquidity, interest rate sensitivity, and deposit and loan mixes and concentrations. The Committee met six times during 2007.

#### ***Community Reinvestment Act/Compliance Committee***

The Community Reinvestment Act/Compliance Committee is currently comprised of the following members of the Board and senior management: Burnie H. Dunlap, Chair, William H. McAulay, Mark E. Simmons and Steven L. Hollstein. The purpose of the Community Reinvestment Act/Compliance Committee is to monitor the Bank's compliance with the requirements of the Community Reinvestment Act and other various banking laws and regulations that are applicable to the Bank. The Committee met two times in 2007.

#### **Code of Ethics**

The Bank has adopted a Code of Ethics that applies to all of the Bank's employees, including but not limited to, the Bank's chief executive officer and its principal financial and accounting officer. A copy of our Code of Ethics is posted on our website at [www.commercenatbank.com](http://www.commercenatbank.com), under "Investor Relations." From time to time, the Bank will post amendments to, or waivers from its Code of Ethics (to the extent applicable to our chief executive officer, chief financial officer or principal accounting officer, or to our directors) on our website. Our website is not part of this proxy statement/prospectus.

If you wish to receive a copy of our Code of Ethics you may request a copy from the Bank, at no cost to you, by writing to us at 4040 MacArthur Boulevard, Suite 100, Newport Beach, California 92660, Attention: Larry V. Sorensen, Executive Vice President and Chief Financial Officer.

**Executive Officers**

The following table sets forth certain information as to each of the executive officers of the Bank as of March 19, 2008.

Name, Title and City of Residence	Age	Business Experience During the Past Five Years
Mark E. Simmons President and Chief Executive Officer, and Director Irvine, CA	61	Since December 2003, President and Chief Executive Officer of Commerce National Bank. Former President and Chief Executive Officer of Marine National Bank, Irvine, California, from 1987 to December 1998, when that bank was acquired by First Security Bank; associated with First Security Bank until June 2000; served as an Independent Financial Analyst from June 2000 until beginning the organization of the Bank in 2002.
Steven L. Hollstein Executive Vice President, Chief Credit Officer, and Corporate Secretary and Director Newport Beach, CA	58	Since December 2003, Executive Vice President and Chief Credit Officer of Commerce National Bank. Appointed Director in January 2007. Executive Vice President and Chief Credit Officer at CommerceWest Bank, N.A., Newport Beach, California from July 2002 through March 2003, when he left to join our Bank; served as loan review and banking consultant from November 2001 to June 2001; From October 2000 to November 2001, served as the proposed Executive Vice President and Chief Credit Officer at eComm National Bank (In Organization), a proposed national bank in Irvine, California, which did not open; worked as a loan auditor and consultant from March 1999 to September 2000; served as Executive Vice President and Chief Credit Officer of Marine National Bank, Irvine, California, from May 1987 to February 1999, leaving after that bank was acquired by First Security Bank.
Larry V. Sorensen Executive Vice President and Chief Financial Officer Corona del Mar, CA	48	Since October 2007, Executive Vice President and Chief Financial Officer of Commerce National Bank. Prior employment included: Northern Empire Bancshares, the holding company for Sonoma National Bank, from May 2002 to September 2006, last position held was Executive Vice President and Chief Financial Officer; Corrigo Incorporated from March 2000 to July 2001, last position held was Director of Finance & Strategic Analysis; Golden West Financial Corporation, the holding company for World Savings from July 1989 to July 1999, last position held was Vice President, Corporate Development; the Federal Home Loan Bank of San Francisco from September 1983 to July 1989, last position held was Assistant Vice President.

The business address of all executive officers is 4040 MacArthur Boulevard, Suite 100, Newport Beach California 92660.

## EXECUTIVE COMPENSATION

### Report of the Compensation and Governance Committee of the Board of Directors

#### *Compensation Philosophy and Objectives*

Our executive compensation program is designed with one fundamental purpose: to support the Bank's core values and mission. Our mission is to serve our customers and our community in such a way that enables us to build a pre-eminent regional financial institution. We believe that by rendering superior service to our customers we will be able to achieve excellent operating results for our shareholders, while always adhering to our core values of integrity, loyalty and professionalism. Consistent with our core values and mission, our compensation philosophy embodies the following principles:

- the compensation program should align the interests of our management team with those of our shareholders;
- the compensation program should reward the achievement of the Bank's strategic initiatives and short-and long-term operating and financial goals;
- compensation should appropriately reflect differences in position and responsibility;
- compensation should be reasonable; and
- the compensation program should be understandable and transparent.

In structuring a compensation program that will responsibly implement these principles, we have developed the following objectives for our executive compensation program:

- overall compensation levels must be sufficiently competitive to attract and retain talented leaders with strong experience in the banking industry, and to motivate those leaders to achieve superior results;
- a portion of total compensation should be contingent on, and variable with, achievement of objective corporate performance goals, and that portion should increase as an executive's position and responsibility increases;
- total compensation should be higher for individuals with greater responsibility and greater ability to influence our achievement of operating goals and strategic initiatives;
- the number of different elements in our compensation program should be kept to a minimum, and those elements should be readily understandable by and easily communicated to executives, shareholders, and others; and
- executive compensation should be set at responsible levels to promote a sense of fairness and equity among all employees and appropriate stewardship of corporate resources among shareholders.

The compensation practices that we have developed demonstrate our commitment to these principles and objectives. The Bank entered into Employment Agreements with Mr. Simmons and Mr. Hollstein in December 2003, which expired as of December 16, 2006. The Bank entered into new Employment Agreements with Mr. Simmons and Mr. Hollstein as of April 1, 2007. The Bank entered into an Employment Agreement with Mr. Sorensen on October 22, 2007. Those agreements include severance benefits upon termination without cause and upon a change in control of the Bank.

Our long-term equity incentive plan provides only for the issuance of stock options, and does not permit discounted stock options, reload stock options, or the re-pricing of stock options. We do not provide perquisites or other personal benefits to our named executive officers, except for car allowances or the use of a Bank-owned car and certain insurance benefits, described below. Our only retirement plan is our 401(k) plan, which is available to all employees, and the benefit programs in which executives may participate are the same programs as those made available to our employees generally. We strive to make our compensation disclosures clear and concise, providing all of the information necessary to permit our shareholders to understand our compensation philosophy, our compensation-setting process, and how much our executives are paid.

During 2007, the Board of Directors adopted an Equity-Based Deferred Compensation Plan for Directors. The plan is a nonqualified deferred compensation plan. Participants who make proper deferral elections are eligible to defer their receipt of earned director's fees. Participants are not taxed on the deferred amounts (and earnings on deferrals) until they are paid out at termination of service. The plan is structured to comply with the requirements of Section 409A of the tax code, which imposes significant limitations on deferred compensation arrangements. In addition, to ensure favorable tax treatment, the plan is structured as an unfunded arrangement, i.e., the Bank has entered into an agreement to make a future payment to the participant. Even if the Bank purchases and sets aside shares as deferrals are made to meet its future obligations, these shares are not the property of the participant, who will receive a cash distribution at termination of service. Prior to payment, the participant remains an unsecured creditor of the Bank.

All decisions regarding compensation of our executive officers for fiscal 2007 were made by the Compensation and Governance Committee, which is composed entirely of independent directors, and ratified by our full Board, with Mr. Simmons and Mr. Hollstein abstaining from the vote in 2007 ratifying their respective compensation.

#### *Elements of Executive Compensation*

Our executive compensation program has three primary elements: base salary, annual performance-based cash bonuses, and the potential for long-term equity incentives. As noted above, these primary elements are supplemented by the opportunity to participate in benefit plans that are generally available to all of our employees. We believe these components work together to provide a reasonable total compensation package for our executive officers.

#### **Base Salary**

We provide executive officers with base salary to provide them with a fixed base amount of compensation for services rendered during the fiscal year. We believe this is consistent with competitive practices in the banking industry and will help assure we retain qualified leadership with strong banking experience in those positions. Because of our directors' desire to include elements of compensation that are performance-based, our practice has generally been to set competitive base salary levels for each executive officer and to supplement that compensation with performance-based cash bonuses. In setting the salary levels for the individual named executives, we may consider the performance of the individual executive, historical compensation levels, and competitive pay practices at banks of similar size. We may also consider banking industry conditions, the Bank's performance versus a peer group of banks, and the overall effectiveness of our compensation program in achieving desired performance levels.

Our Compensation and Governance Committee established, at its last meeting in fiscal 2006, the base salaries to be paid to Mr. Simmons and Mr. Hollstein during 2007. The Committee established the base salary for Mr. Sorensen in October 2007. Base salary for each executive officer, including the chief executive officer, was determined with reference to comparisons to peer group banks in Southern California of comparable size and term of operating history. The Board believes that, as a result of their potential individual bonuses and potential option awards, the interests of our executive officers are and will remain closely aligned with the long-term interests of the Bank and our shareholders.

Based upon the evaluations made at the end of each of the last two fiscal years, salary increases were given to the named executive officers in fiscal years 2006 and 2007, as shown in the Summary Compensation Table in this Proxy Statement. Total salary paid in fiscal 2007 to the named executive officers is shown in the Summary Compensation Table.

Based upon the Committee's analysis and study of peer banks and available regulatory information, the Committee recommended, and the Board approved, a 2% increase in Mr. Simmons' salary for 2007 from \$157,000 to \$160,000, and a 4% increase in Mr. Hollstein's salary for 2007 from \$144,200 to \$150,000 per year. Base salaries were increased on September 21, 2007 for Mr. Simmons and Mr. Hollstein to \$190,000 and \$180,000 per year, respectively. The car allowances or use of Bank owned cars remained the same as 2006.

### **Bonuses**

Our rationale behind performance-based cash incentive compensation is rooted in our desire to encourage achievement of consistent short-term and long-term financial and operating results and to reward our named executive officers for that consistent performance.

No specific formula for bonuses or bonus plan was established by the Compensation and Governance Committee for 2007 for our named executive officers. Instead, discretionary bonuses will be considered by the Committee. To date, no bonuses have been approved by the Board for the named executive officers for 2007.

### **Long-Term Equity Incentives**

To date, the Bank has relied on stock option grants under its 2003 Stock Option Plan (the "Stock Option Plan") to help retain employees and officers and align their interests with those of stockholders. Stock options have value to an employee only if the Bank's stock price increases above the option exercise price and the employee remains employed by the Bank for the period required to exercise the stock options. Stock options thus provide an incentive to improve performance and remain employed by the Bank, and directly link a portion of compensation to stockholders' interests by providing an incentive to maximize stockholder value. Stock options have always been a major component of the Bank's compensation package for not only its senior executive officers but for most of its officers, consistent with practices throughout the banking industry. The Compensation and Governance Committee oversees the administration of the Stock Option Plan and specifically reviews and approves stock option grants to the Bank's senior executive officers. In determining the size of any option award, the Committee considers the officer's past performance and potential, the position held by the individual and the officer's annual base salary compensation.

All the options were granted under the Stock Option Plan and are subject to the Plan's conditions and restrictions. Subject to earlier termination, the options generally expire ten years after the date of the grant. Vesting on the options occurs ratably over a three-year period. The options granted in 2007 and 2006 to the named executive officers are shown in the following Summary Compensation Table.



### *Commerce National Bank 401(k) Plan*

The Board of Directors has established a 401(k) cash or deferred plan, which is named the Commerce National Bank 401(k) Plan (the "Plan"). The Plan was approved by the Board on November 17, 2003. The purpose of the Plan is to provide eligible employees with the ability to make voluntary contributions to his or her account in an amount up to limits established by the Internal Revenue Service, with such contributions vesting immediately. These contributions defer the taxability of such funds allowing the participant to save towards retirement. All contributions are directed by the participant and they may select from various investment options, including, but not limited to, savings and/or money market funds, stocks bonds and mutual funds. The Plan provides for mandatory "Safe Harbor Contributions" by the Bank. Under the Safe Harbor contributions, participants will receive a dollar-for-dollar matching contribution for the first three percent (3%) of compensation placed into the Plan. An additional 50% matching contribution will be made to participants for the next two (2) percent placed into the Plan. Accordingly, those participants who elected to set aside five percent (5%) of their annual compensation will receive a four percent (4%) matching contribution from the Bank in early 2008. Safe Harbor contributions vest immediately. In addition, the Plan provides for a discretionary contribution by the Bank and does not require the participant to make contributions in order to receive a discretionary contribution. Vesting for the discretionary contribution occurs at the rate of 20% per year with full vesting completed by the end of the sixth year of service. For 2007, the Board of Directors of the Bank did not authorize a discretionary contribution.

The Plan trustees, consisting of members of the Bank's executive management, administer the Plan.

### *Employment Contracts, Termination of Employment and Change-in-Control Arrangements*

The Bank has entered into a new Employment Agreement with Mark E. Simmons, the Bank's President and Chief Executive Officer. The new Employment Agreement for Mr. Simmons was effective as of April 1, 2007, and was amended by the Board on September 21, 2007, to increase Mr. Simmons' base salary. The agreement, as amended, provides for:

- A term of three years, expiring on March 31, 2010
- A minimum annual salary of \$190,000
- Discretionary bonuses upon the recommendation of the Board's Compensation and Governance Committee
- An automobile allowance of \$600 per month with additional benefits related to the operation of the vehicle
- Four weeks of paid vacation annually
- Certain medical, life insurance and disability benefits
- Certain benefits based upon a termination without cause, including the continuation of his then existing base salary for 12 months
- Severance benefits upon termination of his employment as a result of a "change in control" of the Bank, in an amount equal to his then existing base salary for 24 months

The Bank has entered into a new Employment Agreement with Steven L. Hollstein, the Bank's Executive Vice President and Chief Credit Officer. The new Employment Agreement for Mr. Hollstein was effective as of April 1, 2007, and was amended by the Board on September 21, 2007, to increase Mr. Hollstein's base salary. The agreement, as amended, provides for:

- A term of three years, expiring on March 31, 2010
- A minimum annual salary of \$180,000
- Discretionary bonuses upon the recommendation of the Board's Compensation and Governance Committee

- The use of a Bank-owned automobile with additional benefits related to the operation of the vehicle
- Four weeks of paid vacation annually
- Certain medical, life insurance and disability benefits
- Certain benefits based upon a termination without cause, including the continuation of his then existing base salary for 12 months
- Severance benefits upon termination of his employment as a result of a “change in control” of the Bank, in an amount equal to his then existing base salary for 24 months

The Bank has entered into an Employment Agreement with Larry V. Sorensen, its newly appointed Executive Vice President and Chief Financial Officer. The Employment Agreement for Mr. Sorensen was effective as of October 22, 2007 and provides for:

- A term of three years, expiring at 5:00 p.m. on October 22, 2010
- A minimum base annual salary of \$175,000
- Discretionary bonuses upon the recommendation of the Board of Directors
- An automobile allowance of \$500 per month, with additional benefits related to the operation of the vehicle
- Four weeks of paid vacation annually
- Certain medical, life insurance and disability benefits
- Certain benefits based upon a termination without cause, including the continuation of his then existing base salary for 12 months
- Severance benefits upon termination of his employment as a result of a “change in control” of the Bank, in an amount equal to his then existing base salary for 24 months
- A one-time signing bonus payment of ten thousand dollars (\$10,000), which was paid upon execution of Mr. Sorensen’s Employment Agreement on October 22, 2007
- A one-time moving allowance payment of ten thousand dollars (\$10,000), which was paid upon execution of Mr. Sorensen’s Employment Agreement on October 22, 2007

On March 6, 2006, the Bank entered into a severance agreement with J.P. Swift, the Senior Vice President and Manager of the SBA Department of the Bank, which provides for the payment to Mr. Swift, upon a termination of his employment within two years after, and as a result of, a “change in control” of the Bank, of severance in an amount equal to 12 months of his then existing base salary.

On September 28, 2007, the Bank entered into a Severance Agreement with Herbert L. Reynolds, its Senior Vice President, Financial Services Division. The agreement provides for the payment to Mr. Reynolds, upon a termination of his employment within two years after, and as a result of, a “change in control” of the Bank, of severance in an amount equal to 12 months of his then existing base salary.

#### *Management’s Role in the Compensation-Setting Process*

Management plays an important role in our compensation-setting process. The most significant aspects of management’s role are:

- evaluating employee performance;
- recommending business performance targets and objectives; and
- recommending salary levels and option awards.

During fiscal 2007, our chief executive officer worked with our Compensation and Governance Committee in establishing the agenda and discussion surrounding executive compensation. During 2008 our chief executive officer is expected to perform essentially the same role. During this process, our chief executive officer may be asked to provide:

- the background information regarding our strategic objectives;
- his evaluation of the performance of our other named executive officers; and
- compensation recommendations as to our other named executive officers.

*Deductibility of Executive Compensation*

The Bank is aware of the restrictions on compensation found in Section 162(m) of the Internal Revenue Code, which prohibits public companies from deducting certain executive remuneration in excess of \$1,000,000. The Bank does not expect that it will be required any time in the foreseeable future, to approach such levels of compensation for its executive officers in order to attract and retain top-quality management.

The Compensation and Governance Committee

Robert H. Smith - Chair

Burnie H. Dunlap

Bernard E Schneider

Donald P. Tormey

## Summary of Compensation

Set out in the following table is information with respect to the compensation of Mark E. Simmons, Steven L. Hollstein and Larry V. Sorensen (the “named executive officers”) for each of the last two fiscal years:

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$) <sup>1</sup>	Stock Awards (\$)	Option Awards (\$) <sup>2</sup>	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) <sup>3</sup>	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Mark E. Simmons President and Chief Executive Officer	2007	167,800	-	-	87,700	-	-	32,025	287,525
	2006	157,000	-	-	116,800	-	-	16,345	290,145
Steven L. Hollstein Executive Vice President and Chief Credit Officer	2007	158,250	-	-	41,100	-	-	29,845	229,195
	2006	144,200	20,000	-	41,100	-	-	19,223	224,523
Larry V. Sorensen Executive Vice President and Chief Financial Officer	2007 <sup>4</sup>	34,700	10,000	-	9,139	-	-	15,547	69,426

<sup>1</sup> This column sets out cash bonuses paid.

<sup>2</sup> The dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with FASB 123(R).

<sup>3</sup> This amount is the Bank’s contribution towards automobile expenses, health, life and disability insurance benefits and employer’s matching contribution to Commerce National Bank 401(k) Profit Sharing Plan during the applicable year.

<sup>4</sup> Mr. Sorensen joined the Bank on October 22, 2007. This amount reflects his base salary from that date until the end of 2007.

## Grant of Plan-Based Awards

The Compensation and Governance Committee did not establish a specific cash bonus plan for 2007 or 2006. All cash bonuses for 2007 and 2006 were discretionary payments, and are reported above in the Summary Compensation Table in the column entitled "Bonuses." Set out in the following table is information with respect to stock options granted in 2007.

### GRANT OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Possible Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (2)	Exercise Or Base Price of Option Awards (\$ / Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$) <sup>1</sup>	Target (\$)	Maximum (\$)(1)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Mark E. Simmons	N/A	—	—	—	—	—	—	—	—	—	—
Steven L. Hollstein	N/A	—	—	—	—	—	—	—	—	—	—
Larry V. Sorensen	10-26-07	—	—	—	—	—	—	—	35,000	\$14.33	\$164,500

<sup>1</sup> There were no threshold or maximum payouts for fiscal year 2007.

<sup>2</sup> The options are for a ten-year period with one-third of the options vesting annually over a three-year period with the first vesting occurring one year from the date of grant.

### Outstanding Equity-Based Awards

The Bank granted options in 2003 to Mr. Simmons and Mr. Hollstein at \$10.00 per share, vesting over three years and expiring ten years after the date of grant. The 2003 option grants were as follows: Simmons (60,000 shares) and Hollstein (23,500 shares).

On August 15, 2005, options were granted to Mr. Simmons and Mr. Hollstein to purchase shares of the Bank's common stock at an option price of \$14.08 per share, which was the average of the bid and ask prices for the preceding 30 days of the Bank's common stock as of the date of grant. Mr. Simmons, the Bank's president and chief executive officer, received options to purchase 35,000 shares, and Mr. Hollstein, the Bank's executive vice president and chief credit officer, received options to purchase 15,000 shares.

On December 18, 2006, options to purchase 5,000 shares at \$16.32 were granted to Mr. Simmons in lieu of a cash bonus for 2006. On October 26, 2007, the Board of Directors granted an option to Mr. Sorensen to purchase 35,000 shares of the Bank's common stock at an option price of \$14.33 per share.

All the options were granted under the Stock Option Plan and are subject to the Plan's conditions and restrictions. Subject to earlier termination, the options generally expire ten years after the date of the grant. Vesting on the options occurs ratably over a three-year period. The values of the options granted during 2007 and 2006 to the named executive officers are shown in the Summary Compensation Table.

The following table shows the exercisable and unexercisable options outstanding at the end of the 2007 fiscal year for each of the named executive officers.

### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Mark E. Simmons	40,000 23,333 1,666	0 11,667 3,334	—	10.00 14.08 16.32	12-16-13 08-14-15 12-17-16	—	—	—	—
Steven L. Hollstein	23,500 10,000	0 5,000	—	10.00 14.08	12-16-13 08-14-15	—	—	—	—
Larry V. Sorensen	0	35,000	—	14.33	10-25-17	—	—	—	—

### Option Exercises

No options were exercised by any of the named executive officers during 2007.

## **Compensation of Directors**

From the inception of the Bank in 2003, the directors of the Bank were not paid any fees. During 2007, the board of directors approved the payment of fees to directors of \$6,000 annually for each director other than Mr. Schneider, and \$12,000 annually for Mr. Schneider, the chairman of the board.

Although fees were not paid to the directors until 2007, stock options were previously awarded to the directors, as shown in the table below. Additional stock options were granted to the directors in 2007. All the options are for a ten-year period with one-third of the options vesting annually over a three-year period with the first vesting occurring one year from the date of grant.

**DIRECTOR OPTION AWARDS**

<b>Name</b>	<b>Grant Date</b>	<b>Number of Underlying Options</b>	<b>Option Price</b>	<b>Exercisable within 60 days after March 19, 2008</b>	<b>Unexercisable within 60 days after March 19, 2008</b>
Allen L. Basso	4/18/2005	10,000	\$ 12.15	10,000	0
	8/15/2005	10,000	14.08	6,666	3,334
	5/23/2007	5,000	16.49	0	5,000
Carolyn D. Beaver	6/20/2005	10,000	13.02	6,666	3,334
	8/15/2005	10,000	14.08	6,666	3,334
	5/23/2007	5,000	16.49	0	5,000
Burnie H. Dunlap	12/17/2003	2,500	10.00	2,500	0
	10/18/2004	2,500	14.00	2,500	0
	8/15/2005	10,000	14.08	6,666	3,334
	5/23/2007	5,000	16.49	0	5,000
William H. McAulay	12/17/2003	13,333	10.00	13,333	0
	10/18/2004	1,667	14.00	1,667	0
	8/15/2005	10,000	14.08	6,666	3,334
	5/23/2007	5,000	16.49	0	5,000
Bernard E. Schneider	12/17/2003	13,333	10.00	8,889 <sup>3</sup>	0
	10/18/2004	1,667 <sup>2</sup>	14.00	1,667	0
	10/18/2004	15,000 <sup>2</sup>	14.00	15,000	0
	8/15/2005	17,500 <sup>2</sup>	14.08	11,666	5,834
	5/23/2007	5,000 <sup>2</sup>	16.49	0	5,000
Robert H. Smith	12/17/2003	13,333	10.00	13,333	0
	10/18/2004	1,667	14.00	1,667	0
	8/15/2005	10,000	14.08	6,666	3,334
	5/23/2007	5,000	16.49	0	5,000
Donald P. Tormey	12/17/2003	13,333 <sup>4</sup>	10.00	0 <sup>4</sup>	0
	10/18/2004	1,667 <sup>4</sup>	14.00	556 <sup>4</sup>	0
	8/15/2005	10,000 <sup>4</sup>	14.08	3,333 <sup>4</sup>	3,334
	5/23/2007	5,000	16.49	0	5,000

<sup>1</sup> Nonqualified stock options, except as noted for Mr. Schneider.

<sup>2</sup> Incentive stock options.

<sup>3</sup> Mr. Schneider exercised options to purchase 4,444 shares in 2004.

<sup>4</sup> Mr. Tormey exercised options to purchase 4,444 shares in 2004, 8,888 shares in 2006 and 4,445 shares in 2007.



Set out in the following table is information with respect to the compensation for fiscal 2007 of each of our directors, in their capacity as directors, other than our chief executive officer and chief credit officer. The compensation of our chief executive officer and chief credit officer, in their capacities as directors and officers of the Bank, is set out in the Summary Compensation Table above.

### DIRECTOR COMPENSATION

Name	Fees Earned Or Paid in Cash (\$) <sup>1</sup>	Stock Awards (\$)	Option Awards (\$) <sup>2</sup>	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Allen L. Basso	0	0	\$4,600	0	\$6,000	0	\$10,600
Carolyn D. Beaver	0	0	\$4,600	0	\$6,000	0	\$10,600
Burnie H. Dunlap	\$6,000	0	\$4,600	0	0	0	\$10,600
William H. McAulay	0	0	\$4,600	0	\$6,000	0	\$10,600
Bernard E. Schneider	\$12,000	0	\$4,600	0	0	0	\$16,600
Robert H. Smith	0	0	\$4,600	0	\$6,000	0	\$10,600
Donald P. Tormey	\$6,000	0	\$4,600	0	0	0	\$10,600
<b>Total:</b>	<b>\$24,000</b>	<b>0</b>	<b>\$32,200</b>	<b>0</b>	<b>\$24,000</b>	<b>0</b>	<b>\$80,200</b>

<sup>1</sup> Amounts earned in 2007.

<sup>2</sup> The dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with FAS 123(R).

### Certain Transactions

There are no existing or proposed material interests or transactions between the Bank and/or any of its officers or directors outside the ordinary course of the Bank's business, except as indicated herein.

It is anticipated that the Bank's directors and the companies with which they are associated, will have banking transactions with the Bank in the ordinary course of business. It is the firm intention of the Board of Directors of the Bank that any loans and commitments to lend included in such transactions will be made in accordance with all applicable laws and regulations and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons of similar creditworthiness. As of December 31, 2007 and 2006, there were no such loans outstanding.

Also in the ordinary course of business, certain officers and directors and the companies with which they are associated have deposits with the Bank. In the Bank's opinion, all deposit relationships with such parties are made on substantially the same terms, including interest rates and maturities, as those prevailing at the time of comparable transactions with other persons. The balance of these deposits at December 31, 2007 and 2006 was approximately \$741,000 and \$1,284,000, respectively.

The Bank's Articles of Association provide, among other things, for the indemnification of the Bank's directors, officers and agents, and to authorize the Board to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, such agents in connection with any personal legal liability incurred by that individual while acting for the Bank within the scope of his or her employment. These provisions of our Articles of Association are subject to certain limitations imposed under California law, federal law and by the OCC. For example, under California law, the Bank cannot indemnify directors for acts or omissions that involve intentional misconduct or a knowing and culpable violation of law or for any transaction from which the director derived an improper personal benefit. Under the federal Comprehensive Thrift and Bank Fraud Prosecution and Taxpayer Recovery Act of 1990, indemnification payments may be prohibited by the regulatory authorities if the Bank becomes insolvent, is placed in conservatorship or receivership, is in troubled condition, or has a CAMELS rating of 4 or 5, and if the regulatory authority believes that the party who is to receive the indemnification payment has violated banking laws or regulations, breached a fiduciary duty, or is otherwise responsible for substantial loss to the bank.

Additionally, any indemnification payments must meet the requirements of the OCC's regulations and interpretive rulings, which currently require that such payments to an "institution-affiliated party," with respect to administrative proceedings or civil actions initiated by federal banking agencies, must be reasonable and consistent with applicable provisions of the Federal Deposit Insurance Act and implementing regulations promulgated by the FDIC. It is the policy of the Board of Directors that the Bank's directors be indemnified to the maximum extent permitted under applicable law and the Bank's Articles of Association, and management has obtained liability insurance covering all of the Bank's officers and directors. Notwithstanding the foregoing, the OCC may require the modification of any indemnification or proposed indemnification deemed to be a threat to the safety and soundness of a national bank.

The Bank's Articles of Association currently provide for the limitation or elimination of personal liability of the directors to the Bank or its shareholders for monetary damages for certain breaches of fiduciary duty. However, federal law provides that the FDIC may seek monetary damages from bank directors in cases involving gross negligence or any greater disregard of the duty of care, notwithstanding any provisions of state law which may permit limitations on director liability in such circumstances.

The Board of Directors believes that both the limitation on director liability and the Bank's policy regarding indemnification of officers and directors are important in order to help ensure the continued ability of the Bank to recruit and retain competent officers and directors, and that effective corporate governance is hampered when officers and directors do not have the protections they have traditionally been provided against lawsuits "second-guessing" the prudence of business judgments made in good faith. According to published sources, the inability of companies to provide meaningful director and officer liability insurance, or alternative protection through indemnification or other means, has had a damaging effect on the ability of such companies to recruit and retain competent officers and directors. Although the Bank has not yet directly experienced this problem, the Bank's Board of Directors believes that the Bank should take every possible step to ensure that the Bank will continue to be able to attract the best possible officers and directors.

### **Recommendation of the Board of Directors**

The Board of Directors recommends a vote "FOR" each of the nominees for election to the Board, as described above in this Proposal 1.

### **PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANT**

The Bank has engaged Vavrinek, Trine, Day & Co., LLP ("VTD") to render audit and non-audit services for the fiscal year ending December 31, 2008. Before such engagement was made, the engagement was approved by the Audit Committee of the Bank. VTD audited the Bank's financial statements for the fiscal years ended December 31, 2007 and 2006 and has been the Bank's accountant since its incorporation in 2003. All professional services rendered by VTD concerning the fiscal year ended December 31, 2007, were furnished at customary rates and terms. The Audit Committee of the Board of Directors has reviewed the non-audit services rendered by VTD and believes that such services were compatible with maintaining independence. It is anticipated that a representative of VTD will be present at the meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

The Audit Committee has established, as part of its Audit Policy, the requirement that the Committee pre-approve all services to be performed by the Bank's independent public accountants. Each proposed service must be described by the accountants in detail in a written proposal, which must be submitted to the Committee in advance of the performance of such service. The Committee, at a meeting or by unanimous written consent, must pre-approve the engagement of the accountants for such service and the estimated fees for such service. Such pre-approval responsibility may not be delegated by the Committee to management and may not be waived.

### **Fee Disclosure**

#### ***Audit Fees***

The aggregate fees billed by VTD for professional services rendered for the audit of the Bank's annual financial statements for the fiscal year ended December 31, 2007 and December 31, 2006 and for the reviews of the financial statements included in the Bank's Annual Reports on Form 10-K (2007) and Form 10-KSB (2006) and Quarterly Reports on Form 10-QSB for each of these fiscal years were \$43,000 and \$36,000, respectively.

#### ***Audit-Related Fees***

VTD did not bill the Bank for any audit-related fees during the last two fiscal years.

***Tax Fees***

Fees for tax-related services were billed by VTD to the Bank in the amount of \$5,000 for the fiscal year ended December 31, 2007 and \$4,000 for the fiscal year ended December 31, 2006.

***All Other Fees***

VTD did not bill the Bank for any fees related to products or services during 2006 or 2005 other than those described above.

**Recommendation of the Board of Directors**

The Board of Directors recommends a vote "FOR" Proposal 2.

**PROPOSAL 3: OTHER MATTERS**

Management does not know of any matters to be presented at the Meeting other than those set forth above. However, if other matters come before the Meeting, it is the intention of the persons named in the accompanying Proxy to vote said Proxy in accordance with the recommendations of Management on such matters, and discretionary authority to do so is included in the Proxy.

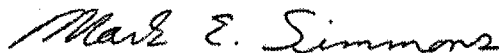
**Shareholder Proposals**

If a shareholder intends to present any proposal for consideration at the 2009 Annual Meeting of Shareholders and wishes for that proposal to be included in the proxy and proxy statement to be prepared by the Bank, the proposal must be received by the Bank at its corporate office not later than December 31, 2008. In addition, if the Bank receives a shareholder proposal for the 2008 Annual Meeting less than 45 days before the date on which this proxy statement is mailed to shareholders, then the persons named as proxies for such Annual Meeting will have discretionary authority to vote on such matters.

**ANNUAL REPORT TO SHAREHOLDERS, ANNUAL DISCLOSURE STATEMENT  
AND FORM 10-K**

Our Annual Report to Shareholders containing audited financial statements is included in this mailing to shareholders. Copies of the Bank's Annual Report on Form 10-K will be made available to shareholders upon request once the report has been filed with the OCC. The Bank's annual disclosure statement is also available upon written request to the Corporate Secretary, Commerce National Bank, 4040 MacArthur Blvd., Suite 100, Newport Beach, CA 92660.

By Order of the Board of Directors



Mark E. Simmons  
President and Chief Executive Officer

Dated: March 31, 2008

**IT IS VERY IMPORTANT THAT EVERY SHAREHOLDER VOTE. WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE. PLEASE INDICATE ON THE PROXY WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING.**

