

*To Customers, Community Partners, Shareholders,
Employees & Friends of*

PACIFIC CAPITAL BANCORP

We are extremely pleased to confirm that we have satisfied significant conditions to closing our previously announced investment of \$500 million of new capital into Pacific Capital Bancorp. As a result, we intend to close the investment on August 31, 2010. Teams from both sides of the transaction have worked tirelessly to make this happen as quickly as possible, and it is with great pride and a sense of significant achievement that we share this good news with all of you.

As we said in April when we announced our plans to participate in the recapitalization of Pacific Capital Bancorp, we are very enthusiastic about this opportunity to invest in a financial services franchise with such deep roots in the most attractive markets in California. In our 35-year history, we've been highly selective in identifying our financial services partners, focusing on quality companies that meet our high standards.

Pacific Capital is clearly in that league. The history and core values, attention to customer service, and unwavering community partnership that exist throughout the PCB franchise have raised the bar for good banking in your community. These qualities first attracted you to this bank, and they have continued to earn your loyalty over the years, even during these challenging times.

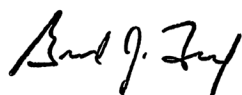
We will both be joining PCB's Board of Directors and be actively involved in the day-to-day activities and oversight of the Company. We are experienced career bankers, committed to the long-term operations of our banking partners. We believe that our history speaks for itself. The entire PCB team will be working as one team toward one goal: returning your community bank back to its historic levels of good health, stellar reputation, and solid financial performance.

Following our investment, Pacific Capital Bancorp will once again be one of the strongest community banks in California. Our investment will put PCB fully back in the business of banking, with the ability to provide you with all of the products and services you deserve from your bank.

We are truly committed to strengthening this institution for the benefit of all Pacific Capital Bancorp stakeholders – our customers, community partners, shareholders, employees, friends and neighbors. Whoever you are on this list of valued partners, you have our promise that we will be doing everything necessary to earn your business, your respect and your loyalty at every opportunity.

Thank you all for your support through these challenging times. We are excited to be working with such a fine banking organization, and we look forward to the opportunity to get to know all of you.

The Ford Financial Fund, L.P.



Gerald J. Ford
Managing Member



Carl B. Webb
Senior Principal

**SANTA BARBARA
BANK & TRUST**
SINCE 1960


FIRST NATIONAL BANK
OF CENTRAL CALIFORNIA
SINCE 1984


SOUTH VALLEY NATIONAL BANK
SINCE 1983


San Benito Bank
SINCE 1984


FIRST BANK
OF SAN LUIS OBISPO
SINCE 1980



Our Community. Your Bank.SM

Divisions of Pacific Capital Bank, N.A., Member FDIC