

PLAN OF ALLOCATION

The Parties¹ have agreed to settle this matter according to the terms set forth in the Settlement Agreement. Plaintiffs propose the below manner for distributing the Net Settlement Amount to the Settlement Class.

I. Class Member

A Class Member shall be any Person who was a participant in or beneficiary of the Palm Desert Investments Employee Stock Ownership Plan (the "Plan") and whose individual Share Account held vested shares of stock of Palm Desert Investments from September 30, 2006 through September 1, 2011 (the "Settlement Class"); provided, however, that Defendants, former and present directors of Palm Desert Investments and/or Palm Desert National Bank and their heirs, Successors-in-Interest, or assigns, to the extent such Persons acquire an interest held by Defendants, are excluded from the Settlement Class.

II. Net Settlement Amount

The Net Settlement amount will be the balance of the \$950,000 after payment of (a) any taxes and expenses incurred by the Settlement Fund's income as discussed in Section 9.3 of the Class Action Settlement Agreement; (b) the cost of administration of the settlement, including the cost of providing Class Notice and implementing the Plan of Allocation, which costs shall not exceed \$25,000; and (c) any fees and expenses to Class Counsel awarded by the Court.

III. Amount of Distribution

For each Class Member there shall be calculated a Net Loss, which shall be calculated as follows:

1. Each Class Member's Net Loss shall be equal to $(A + B - C - D) \times E$, provided that if $(A + B - C - D) \times E$ shows no loss for a Class Member, such Class Member's Net Loss will be zero.

A = the dollar amount invested in PDI stock for each Class Member at the beginning of the Class Period

B = the dollar amount of additional PDI stock added to each Class Member's share account during the Class Period

C = the dollar amount of any PDI stock disposed from each Class Member's share account during the Class Period

¹ Capitalized terms have the meaning provided in the Settlement Agreement.

D = the dollar amount invested in PDI stock for each Class Member at the end of the Class Period

E = the percentage vested either at the last date that the Class Member was a participant in the Plan or at Plan termination if the Class Member remained a Plan participant up to the date of Plan termination

2. To the extent data is not available to determine the account balances of Class members at the beginning or end of the Class Period, the foregoing calculations may be performed using data as of the nearest date for which data is available after the beginning or end of the applicable event, unless such different amount was actually distributed, in which case the actual distribution amount shall be used.
3. There shall be calculated for each Class Member his or her "Net Loss Percentage" by dividing each Class member's Net Loss by the aggregate of all Class members' Net Losses.
4. There shall then be calculated for each Class Member his "Dollar Recovery" by multiplying the Class Member's Net Loss Percentage by the Distribution Amount.
5. All calculations required to implement this Plan of Allocation shall be performed by the Administrator.

IV. Distribution of the Allocated Amounts.

As soon as practicable after the deposit of the Dollar Recoveries into the trust for the Plan, there shall be deposited into each Class Member's account his or her Dollar Recovery. To the extent that any Class Member no longer has an account, the Administrator will establish an account for each former Plan Participant, and each former Plan Participant will be notified of such account with further instructions. The Administrator shall invest each Class Member's Dollar Recovery in a suitable short term investment vehicle, the primary purpose of which is the preservation of assets, pending distribution to the Class Member.

V. Continuing Jurisdiction.

The Court will retain jurisdiction over this Plan of Allocation to the extent necessary to ensure that it is fully and fairly implemented.