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COMMUNITY WEST BANCSHARES /

Form 8-K

August 24, 2001

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 24, 2001

Community West Bancshares

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(Exact Name of Registrant as Specified in its Charter)

California	000-23575	77-0446957
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

445 Pine Avenue, Goleta, California,	93117
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(Address of Principal Executive Offices)	(Zip Code)

(805) 692-1862

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(Registrant's Telephone Number, Including Area Code)

Not Applicable

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(Former Name or Former Address, if Changed Since Last Report)

Exhibit Index at Page: 2  
Total No. of Pages: 3

ITEM 2. DISPOSITION OF ASSETS

On August 17, 2001 Community West Bancshares, completed the sale of its subsidiary, Palomar Community Bank to Centennial First Financial Services (OTCBB:CFFX) for \$10.5 million in cash. Community West acquired Palomar's Common Stock on December 14, 1998 by issuing 1,367,542 common shares. On the date of acquisition those shares had a market value of \$12 million. The acquisition was accounted for using the purchase method of accounting, and resulted in Palomar booking \$6 million in goodwill and other intangible assets. In December of 2000, Community West signed a definitive agreement to sell 100% of Palomar to Centennial for \$10.5 million in cash and wrote down \$2 million of Palomar's

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goodwill which it determined to be impaired based on the purchase price. Upon completion of the transaction Community West recorded a small gain on the sale. This transaction is a taxable event and Community West expects to record a \$1 million dollar charge for tax liability associated with the sale. As a result of the sale, Community West's consolidated capital is expected to increase by \$2.6 million.

Concurrently, a portion of the proceeds from the sale was used to repay a loan from Union Bank of California in the amount of \$5.5 million.

Attached hereto as Exhibit 99.5 and incorporated by reference herein is a press release on the sale of Palomar Community Bank to Centennial First Financial Services.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

The following exhibit is filed as a part of this Current Report on Form 8-K:

Exhibit No.	Description
99.5	Press Release dated August 20, 2001 on the Sale of Palomar Community Bank.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 24, 2001

COMMUNITY WEST BANCSHARES

By: /s/ Lynda Pullon Radke  
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Lynda Pullon Radke  
Senior Vice President and  
Chief Financial Officer