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# FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

## 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): September 19, 2008**

### Summit State Bank

(Exact name of registrant as specified in its charter)

<u>California</u> (State or other jurisdiction of incorporation)	<u>32203</u> (FDIC Insurance Certificate No.)	<u>94-2878925</u> (IRS Employer Identification Number)
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<u>500 Bicentennial Way</u> <u>Santa Rosa, California</u> (Address of principal executive offices)	<u>95403</u> (Zip Code)
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(707) 568-6000  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.06. Material Impairments**

Summit State Bank (Nasdaq: SSBI) today reported that it intends to record an other-than-temporary impairment (“OTTI”) noncash charge with respect to the investments of Freddie Mac and Fannie Mae preferred stock. Additionally, based on the credit uncertainties with regard to debt securities of GMAC and Lehman Brothers Holdings, an OTTI noncash charge will be recorded on these investments. The OTTI charges will be recorded September 30, 2008, and the noncash charge is expected to be approximately \$2.2 million which is \$1.3 million, net of related tax benefit or \$0.27 per share for the quarter.

Thomas Duryea, President and Chief Executive Officer of Summit State Bank, said, “While these are one time or non-recurring events that will impact our 3<sup>rd</sup> quarter results, we remain focused on improving the Bank’s core operating results. Duryea stated that, “our problem loans continue to be at low levels compared to industry. Moreover, under any valuation scenario involving the investments mentioned above, the bank’s regulatory capital ratios continue to substantially exceed the ratios to be considered “well capitalized” under the capital guidelines administered by the Federal Deposit Insurance Corporation (FDIC) ranking us in the top tier of banks both locally and nationally.”

### About Summit State Bank

Summit State Bank has total assets of \$341 million and total equity of \$48 million at June 30, 2008. Headquartered in Sonoma County, the Bank provides diverse financial products and services throughout Sonoma, Napa, San Francisco, and Marin Counties. Summit State Bank stock is traded on the Nasdaq Global Market under the symbol SSBI.

### Forward-looking Statements

Except for historical information contained herein, the statements contained in this news release, are forward-looking statements within the meaning of the “safe harbor” provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Bank will be conducting its operations, including the real estate market in California and other factors beyond the Bank’s control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. You should not place undue reliance on the forward-looking statements, which reflect management’s view only as of the date hereof. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **Item. 9.01. Financial Statements and Exhibits.**

(a.) Financial Statements of Business Acquired: None

(b.) Pro Forma Financial Information: None

(c.) Shell company transactions: None

(d.) Exhibits: None

**SIGNATURE**

Pursuant to the requirements 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.

Dated: September 19, 2008

**SUMMIT STATE BANK**

By:           /s/ Dennis E. Kelley            
Dennis Kelley  
*Senior Vice President  
and Chief Financial Officer  
(Duly Authorized Officer)*