

---

# 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): December 28, 2011

### 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)
--	---	--

<u>500 Bicentennial Way</u> <u>Santa Rosa, California</u> (Address of principal executive offices)	<u>95403</u> (Zip Code)
--	----------------------------

(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))
-

## **Item 2.02. Results of Operations and Financial Condition.**

In consultation with FDIC regulators, the Bank has amended its June 30 and September 30, 2011 Consolidated Reports of Condition and Income (Call Report). The amendment for June 30 and September 30 was based on the classification of one loan relationship as nonaccrual at June 30. The loans placed on nonaccrual totaled \$2,794,000 at June 30, 2011. The loans in question were reported as Trouble Debt Restructures since 2010. Additionally, they were reported as nonaccrual for quarter ended June 30, 2010 through March 31, 2011. They were subsequently removed from nonaccrual status as the Bank had received regular payments for an excess of twelve months and the loans were current under the restructured terms as of the June 30, 2011 quarter end. The loans are collateral dependent and had specific allocation of loan losses of \$102,000 reported at June 30, 2011.

The impact of reclassifying the loans as nonaccrual at June 30, 2011, resulted in decreasing previously reported interest income by \$255,000, income tax expense by \$107,000 and net income by \$148,000 for the quarter and six months ended June 30, 2011. The adjustments as of September 30, 2011, for the quarter and nine month period, respectively, were a decline in previously reported interest income of \$54,000 and \$309,000, tax expense of \$22,000 and \$129,000, and net income of \$32,000 and \$180,000. Previously reported earnings per share declined to \$0.11 and \$0.18 from \$0.14 and \$0.21 for the quarter and six months ended June 30, 2011. Earnings per share were unchanged for the third quarter ended September 30, 2011 and declined to \$0.21 from \$0.25 for the nine months ended September 30, 2011.

In addition to the described loans having been reclassified, an additional charge off resulted from the adjustment of a loan transferred to other real estate owned in the amount of \$178,000 which was reflected for the September 30, 2011 period.

Nonperforming assets were adjusted to \$14,256,000 from previously reported \$11,462,000 at June 30, 2011 which represented an adjusted ratio of 3.72% compared to 2.99% of nonperforming assets to total assets. Nonperforming assets were adjusted to \$17,514,000 from \$13,958,000 at September 30, 2011 which represented an adjusted ratio of 4.44% compared to 3.53% of nonperforming assets to total assets.

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

### **(c) Exhibits:**

The exhibit list called for by this item is incorporated by reference to the Exhibit Index filed as part of this report.

**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: December 28, 2011

**SUMMIT STATE BANK**

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