FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:
[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of Commission Only (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-12

(Name of Registrant as Specified in its Charter): Summit State Bank

(Name of Person(s) Filing Proxy Statement, if other than Registrant): _____

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11: _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

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(1) Amount Previously Paid:_____
(2) Form, Schedule or Registration Statement:_____
(3) Filing Party:_____
(4) Date Filed:_____

SUMMIT STATE BANK

May 8, 2008

Dear Shareholder:

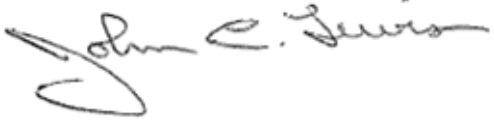
We are pleased to enclose our 2007 Annual Report, Notice of 2008 Annual Meeting, Proxy Statement and Form of Proxy.

You are cordially invited to attend the 2008 Annual Meeting of Shareholders, which will be held at 10:30 a.m. on Monday, June 30, 2008, at the Fountaingrove Inn, 101 Fountaingrove Parkway, Santa Rosa, California.

The accompanying Notice of Annual Meeting and Proxy Statement provide information pertaining to the matters to be considered and acted upon at the Meeting. If you have questions regarding the information included in the Bank's 2007 Annual Report, please contact Dennis Kelley, the Bank's Chief Financial Officer, at (707) 568-6000.

Your continuing support of Summit State Bank is appreciated, and we hope you will attend the Annual Meeting. Whether or not you are personally present, it is very important that your shares be represented at the Meeting. Accordingly, please sign, date, and mail the enclosed Proxy promptly. If you wish to vote in accordance with the Board of Directors' recommendations, it is not necessary to specify your choices. You may simply sign, date and return the enclosed Proxy.

Sincerely,



John C. Lewis
Chairman

Thomas M. Duryea
President and Chief Executive Officer

500 Bicentennial Way, Santa Rosa, California 95403 • Telephone (707) 568-6000 • Fax (707) 573-4623
MEMBER FDIC

SUMMIT STATE BANK

Notice of Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Summit State Bank will be held at the Fountaingrove Inn, 101 Fountaingrove Parkway, Santa Rosa, California on Monday, June 30, 2008, at 10:30 a.m. for the following purposes:

1. To elect the following nominees to serve as directors of the Bank until the next Annual Meeting of Shareholders and until their successors shall be elected and qualified:

John F. DeMeo	Jeanne D. Hubbard
Michael J. Donovan	John C. Lewis
Richard A. Dorr	Ronald A. Metcalfe
Thomas M. Duryea	Marshall T. Reynolds
Todd R. Fry	Robert B. St. Clair
George I. Hamamoto	Eugene W. Traverso
Allan J. Hemphill	

2. To ratify the selection of Crowe Chizek and Company LLP, independent certified public accountants, to serve as the Bank's auditors for the fiscal year ending December 31, 2008.

3. To consider and transact such other business as may properly be brought before the meeting.

Shareholders of record at the close of business on May 2, 2008, are entitled to notice of and to vote at the meeting.

Provisions of the Bylaws of the Bank govern nominations for election of members of the Board of Directors, as follows:

Nomination for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder of the Corporation entitled to vote for the election of directors. Notice of intention to make any nominations shall be made in writing and shall be delivered or mailed to the President of the Corporation not less than 21 days nor more than 60 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to shareholders, such notice of intention to nominate shall be mailed or delivered to the President of the Corporation not later than the close of business on the tenth day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the Corporation owned by each proposed nominee; (d) the name and residence address of the

notifying shareholder; (e) the number of shares of capital stock of the Corporation owned by the notifying shareholder; (f) the number of shares of capital stock of any bank, bank holding company, savings and loan association or other depository institution owned beneficially by the nominee or by the notifying shareholder and the identities and locations of any such institutions; and (g) whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy or been adjudged bankrupt. Nominations not made in accordance herewith may, in the discretion of the Chairman of the meeting, be disregarded and upon the Chairman's instructions, the inspector(s) of election can disregard all votes cast for each such nominee.

All shareholders are cordially invited to attend the meeting in person. To ensure your representation at the meeting, you are requested to date, execute and return the enclosed proxy card, without delay, in the enclosed postage-paid envelope whether or not you plan to attend the meeting. Any shareholder present at the meeting may vote personally on all matters brought before the meeting. If you elect to vote personally at the meeting, your proxy will not be used.

BY ORDER OF THE BOARD OF DIRECTORS

Nancy Farber
Corporate Secretary
May 8, 2008
Santa Rosa, California

WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING, PLEASE SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

PROXY STATEMENT
OF
SUMMIT STATE BANK

500 Bicentennial Way • Santa Rosa, California 95403
Telephone (707) 568-6000 • Fax (707) 573-4622

This proxy statement is furnished in connection with the solicitation of proxies to be used by the Board of Directors of Summit State Bank (the "Bank") at the Annual Meeting of Shareholders of the Bank to be held at the Fountaingrove Inn, 101 Fountaingrove Parkway, Santa Rosa, California, on Monday, June 30, 2008, at 10:30 a.m., and at any adjournments or postponements thereof (the "Meeting").

This Proxy Statement and the accompanying form of proxy are being mailed to shareholders on or about May 8, 2008.

A form of proxy for voting your shares at the Meeting is enclosed. Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted by filing with the Secretary of the Bank an instrument revoking said proxy or a duly executed proxy bearing a later date. In addition, the powers of the proxy-holders will be revoked if the person executing the proxy is present at the Meeting and advises the Chairman of his or her election to vote in person. Unless a proxy is revoked, all shares represented by a properly executed proxy received prior to the Meeting will be voted as specified by each shareholder in the proxy. If no specifications are given by a shareholder, then the proxy will be voted in favor of election of the nominees specified, for the ratification of the Board's selection of independent accountants, for approval of authority of the proxy holders to vote in favor of a motion to adjourn the meeting for the purpose of soliciting additional proxies, and in the discretion of the proxies on such other business as may properly come before the Meeting as described below.

The proxy also confers discretionary authority to vote the shares represented thereby on any matter that was not known by March 10, 2008, which may properly be presented for action at the Meeting and may include action with respect to adjournments and other procedural matters pertaining to the conduct of the Meeting and election of any person to any office for which a bona fide nominee is named herein, if such nominee is unable to serve or for good cause will not serve. A proxy will not, however, be voted in favor of an adjournment for the purpose of soliciting additional proxies on any proposal on which the proxy specifies a vote "against" or "withhold."

The enclosed proxy is being solicited by the Bank's Board of Directors and the cost of the solicitation is being borne by the Bank. The principal solicitation of proxies is being made by mail, although additional solicitation may be made by telephone, telegraph, facsimile or personal visits by directors, officers and employees of the Bank.

Purpose of the Meeting

The Meeting is being held for the following purposes:

1. To elect thirteen directors (the entire Board of Directors) to serve until the next annual meeting of shareholders and until their successors shall be elected and qualified.

2. To ratify the selection of Crowe Chizek and Company LLP, independent certified public accountants, to serve as the Bank's auditors for the fiscal year ending December 31, 2008.

3. To consider and transact such other business as may properly be brought before the meeting.

Voting Securities

Shareholders of record as of the close of business on May 2, 2008, (the "Record Date") will be entitled to notice of and to vote at the Meeting. As of such date, the Bank had 4,744,720 shares of common stock outstanding.

Each shareholder of record is entitled to one vote, in person or by proxy, for each share held on all matters to come before the Meeting, except that shareholders may have cumulative voting rights with respect to the election of directors.

Cumulative voting allows the shareholder to cast a number of votes equal to the number of directors to be elected, thirteen, multiplied by the number of votes held by the shareholder on the Record Date. This total number of votes may be cast for one nominee or may be distributed among as many candidates as the shareholder desires.

Pursuant to California law, no shareholder may cumulate votes for a candidate unless such candidate or candidates' name have been placed in nomination prior to the voting and the shareholder has given notice at the Meeting prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any shareholder has given such notice, all the shareholders may cumulate their votes for the candidates who have been nominated.

Discretionary authority to cumulate votes in such event is solicited in this Proxy Statement. The proxies do not, at this time, intend to give such notice or to cumulate the votes they may hold pursuant to the proxies solicited herein unless the required notice by a shareholder is given. In the event such notice is provided, the votes represented by proxies delivered pursuant to this Proxy Statement may be cumulated in the discretion of proxy holders, in accordance with the recommendations of the Board of Directors.

In the election of directors, the 13 candidates receiving the highest number of votes will be elected. Approval of the proposals to approve the ratification of the selection of Crowe Chizek and Company LLP as independent accountants and approve adjournment of the Annual Meeting for the purpose of soliciting additional proxies each requires the affirmative vote of a majority of the Bank's shares represented and voting at the Meeting. Broker non-votes (i.e., shares held by brokers or nominees which are represented at the meeting but with respect to

which the broker or nominee is not authorized to vote on a particular proposal) and abstentions will not be counted, except for quorum purposes, and will have no effect on the election of directors.

In determining whether the requisite shareholder approval has been received to approve the ratification of the selection of Crowe Chizek and Company LLP as independent accountants, if the number of shares voted in favor constitutes a majority of the required quorum, broker non-votes and abstentions will have no effect on the matter. However, if not, broker non-votes and abstentions will have the same effect as a vote against the matter since they effectively decrease the number of shares which could have voted for the proposals and might therefore have the effect of causing these proposals not to be approved.

Principal Shareholders

Other than Marshall T. Reynolds, whose beneficial ownership of shares of the Bank's common stock is shown in the "Security Ownership of Management" table set forth below, as of May 2, 2008, no persons are known to management to have, directly or indirectly, more than five percent of the Bank's issued and outstanding shares of common stock.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires executive officers, directors, and persons who beneficially own more than 10 percent of the stock of the Bank to file initial reports of ownership and reports of changes in ownership. Such persons are also required to furnish the Bank with copies of these reports. Based solely on a review of the copies of such reports furnished to the Bank, the Bank believes that during 2007 its executive officers, directors, and beneficial owners of more than 10 percent of the stock complied with all applicable filing requirements of Section 16(a).

— PROPOSAL 1 —

Election Of Directors

The Bylaws of the Bank provide the procedure for nomination and election of the Board of Directors. This procedure is printed in full in the Notice of Annual Meeting of Shareholders accompanying this Proxy Statement. Nominations not made in accordance with the procedures may be disregarded by the Chairman of the Meeting, and upon his instructions, the Inspector of Election shall disregard all votes cast for such nominees.

Votes will be cast in such a way as to effect the election of all nominees or as many as possible under the rules of cumulative voting to the extent the proxies have discretionary authority to do so. If any nominee should become unable or unwilling to serve as a director, either (i) the proxies will be voted for such substitute nominees as shall be designated by the Board of Directors, or (ii) the number of nominees may be reduced. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve. The 13 nominees receiving the highest number of votes at the Meeting will be elected.

Nominees For Director

The persons named below have been nominated by the current Board of Directors for election as directors to serve until the next Annual Meeting and until their successors are duly elected and qualified. For information pertaining to stock ownership of each of the nominees, reference can be made to the "SECURITY OWNERSHIP OF MANAGEMENT" section of this Proxy Statement. The Board of Directors has decided that all directors except Thomas M. Duryea and John C. Lewis meet Nasdaq's requirements for independence of directors. Nasdaq rules require that a majority of the Board consist of independent directors and the Bank's Board meets this requirement.

Name	Age	Position With Bank	Director Since(1)	Principal Occupation, Business Experience During Past Five Years and Other Information
John F. DeMeo	73	Director	1995	Senior partner in the law firm of DeMeo DeMeo & West; founder and director of Sonoma County Savings & Loan, Santa Rosa, California from 1977 until it was sold in 1982.
Michael J. Donovan	72	Director	1990	Attorney in private practice in Santa Rosa, California since 1973; Santa Rosa Assistant City Attorney from 1968-1973.
Richard A. Dorr	66	Director	1990	General contractor and owner of RAD Developers, a real estate development firm, since 1983; President of the Marin/San Francisco Bay Area Division of McKeon Construction Company from 1978 to 1982.
Thomas M. Duryea	50	President /CEO	2008	President and Chief Executive Officer of the Bank since March 1, 2008. Senior Vice President and Chief Credit Officer of the Bank from June 2006, to March 1, 2008. From July 2001 to June 2006, Vice President and Commercial Loan Officer for the Bank.

Name	Age	Position With Bank	Director Since(1)	Principal Occupation, Business Experience During Past Five Years and Other Information
Todd R. Fry	42	Director	2000	Chief Financial Officer of Champion Industries, Inc., a commercial printing, office supply and retail office furniture company, since 1999; Chief Financial Officer of Broughton Foods Co., a dairy manufacturer and distributor, from 1997-1999; and Manager at Coopers & Lybrand, a public accounting firm, from 1991-1997.
George I. Hamamoto	84	Director	1999	Partner with Bill Noonan Insurance Agency/McDonald-Leavitt Agency, Inc., Santa Rosa, California since 1968; director of Sonoma County Savings & Loan, Santa Rosa, California from 1978 until its sale in 1982.
Allan J. Hemphill	69	Director	1999	President of Hemphill and Associates, a winery consulting and management firm, since 1999; President of Laguna Custom Cellars, Inc., a winery venture capital firm, since 1999; President of Associated Vintage Group, a winery service company, from 1993 to 1999; co-owner of Il Cuore Wine Cellars, Inc. since 2000.
Jeanne D. Hubbard	59	Director	1998	Chairwoman, President and Chief Executive Officer of Abigail Adams National Bancorp, Inc., Washington, D.C. since 1998; director of Abigail Adams National Bancorp, Inc. and The Adams National Bank, Washington, D.C. since 1995; Director of Risk Management, Premier Financial Bancorp, Inc., Huntington, West Virginia, from November 1999 to July 2005; Director of First Sentry Bank, Huntington, West Virginia since 1996.
John C. Lewis	72	Chairman	1998	Chairman of the Board of Directors of the Bank; Chairman and CEO of the Bank from March 2006 to March 2008; non-executive Chairman of the Bank from 1998 to 2006. Owner and President of Co-ordinated Management Systems, a software development and systems management company in Petaluma, California since 1979.
Ronald A. Metcalfe	49	Director	2000	Shareholder and Principal in Call & Metcalfe Certified Public Accountants, P.C., a certified public accounting firm, since 1995; Certified Public Accountant since 1986.
Marshall T. Reynolds	71	Director	1998	Chairman of the Board and Chief Executive Officer of Champion Industries, Inc., a commercial printing, office supply and retail office furniture company.
Robert B. St. Clair	77	Director	1999	Sales and marketing executive with Clover Stornetta Farms, Incorporated, Petaluma, California since 1993; former player for the San Francisco 49ers and a member of the Professional Football Hall of Fame.
Eugene W. Traverso	69	Director	1999	Owner and director of Traverso's Gourmet Foods & Liquors, Santa Rosa, California, a food and wine retailer, from 1990 to 1998; founder, chairman and president of Sonoma County Savings & Loan, Santa Rosa, California from 1977 until its sale in 1982; director of Northbay Savings Bank, Petaluma, California from 1992 until its sale in 1997.

[1] For those who were directors prior to 1998 include service as a director of Summit Savings, a Federal Savings Bank, the predecessor institution of the Bank.

There are no family relationships among any of the Bank's Executive Officers, directors or director nominees.

With the exception of Jeanne D. Hubbard and Marshall T. Reynolds, no director or nominee chosen by the Board of Directors is a director of any company with a class of securities registered pursuant to Section 12 of the Exchange Act, or subject to the requirements of Section 15(d) of such Act or of any company registered as an investment company under the Investment Company Act of 1940. Jeanne D. Hubbard is a director of Abigail Adams National Bancorp, Inc., a bank holding company that has registered its common stock pursuant to the Exchange Act. Marshall T. Reynolds is Chairman of the Board of Champion Industries, Inc., Chairman of the Board of Premier Financial Bancorp, and a director of Abigail Adams National Bancorp, Inc.; First Guaranty Bank of Hammond, Louisiana; First State Financial Corporation of Sarasota, Florida; and Portec Rail Products, Inc., of Pittsburgh, Pennsylvania, each of which has registered its common stock pursuant to the Exchange Act.

During 2007, the Bank's Board of Directors met 12 times for regularly scheduled and special meetings. With the exception of Marshall T. Reynolds, each director attended at least 75 percent of the aggregate of: (i) the total number of meetings of the Board of Directors; and (ii) the total number of meetings of board committees on which that director served. The Bank's policy is that all directors should attend the Annual Meeting unless good cause prevents their attendance. In 2007 11 directors attended the Annual Meeting.

Executive Officers Of The Bank

Set forth below is certain information with respect to the Executive Officers of the Bank.

Name	Age	Position	Officer Since
Thomas M. Duryea	50	President and Chief Executive Officer	2006[1]
Dennis E. Kelley	54	Senior Vice President and Chief Financial Officer	2005

[1] In 2007 Terrance M. Davis served as President and Chief Operating Officer and John C. Lewis served as Chairman and Chief Executive Officer. Thomas M. Duryea was appointed Chief Executive Officer and President upon Mr. Lewis' retirement in March 2008 and Mr. Davis' resignation in February 2008.

A brief summary of the background and business experience of the Executive Officer of the Bank who has not previously been described is set forth below:

Dennis E. Kelley has been the Bank's Senior Vice President and Chief Financial Officer since January 2005. From January 2001 to December 2004 he was an Investment Representative/Registered Investment Advisor for A. G. Edwards. From January 2000 to December 2000 he was Chief Financial Officer for Bank of Petaluma. From 1996 to 1999 he served as Chief Operating Officer and from 1986 to 1995 he served as Chief Financial Officer of National Bank of the Redwoods and its parent company, Redwood Empire Bancorp.

Security Ownership Of Management

The following table sets forth information as of the Record Date pertaining to beneficial ownership of the Bank's common stock (the sole class of stock outstanding) by current directors of the Bank, nominees to be elected to the Board of Directors, and all directors and officers of the Bank as a group. As used throughout this Proxy Statement, the terms "Officer" and "Executive Officer" refer to the President and Chief Executive Officer; the Senior Vice President and Chief Financial Officer; the Senior Vice President and Chief Credit Officer; and, for purposes of the Summary Compensation Table only, the former President. The information set forth below has been obtained from the Bank's records, or from information furnished directly by the individual or entity to the Bank.

Name and Address of Beneficial Owner(1)	Relationship with Bank	Amount and Nature of Beneficial Ownership (2)	Percent of Class (2)
John F. DeMeo	Director	43,086(4)	(3)
Michael J. Donovan	Director	40,700(5)	(3)
Richard A. Dorr	Director	7,000(6)	(3)
Thomas M. Duryea	Director, CEO and President	3,436(7)	(3)
Todd R. Fry	Director	3,600(8)	(3)
George I. Hamamoto	Director	5,000	(3)
Allan J. Hemphill	Director	4,948	(3)
Jeanne D. Hubbard	Director	6,000	(3)
Dennis Kelley	SVP and Chief Financial Officer	610	(3)
John C. Lewis	Chairman, and Director	94,146(9)	1.98%
Ronald A. Metcalfe	Director	3,000	(3)
Marshall T. Reynolds	Director	807,020	17.01%
Robert B. St. Clair	Director	3,666(10)	(3)
Eugene W. Traverso	Director	16,000(11)	(3)
All directors and executive officers as a group (fourteen in number)		1,038,212	21.88 %

(1) The address for all persons is c/o the Bank, 500 Bicentennial Way, Santa Rosa, California, 95403.

(2) Includes shares beneficially owned (including options exercisable within 60 days of May 2, 2008), both directly and indirectly together with associates. Subject to applicable community property laws and shared voting and investment power with a spouse, the persons listed have sole voting and investment power with respect to such shares unless otherwise noted.

(3) Represents less than one percent of the outstanding shares of the Bank's common stock.

(4) Includes 5,516 shares held in a personal Individual Retirement Account and 1,040 shares held in his spouse's Individual Retirement Account.

(5) Includes 35,400 shares held in a personal Individual Retirement Account and 4,400 shares held in his spouse's Individual Retirement Account.

(6) Includes 7,000 shares held as trustee of the Dorr Family Trust.

(7) Includes 2,346 shares held in a personal Individual Retirement Account and 690 shares by his spouse's Individual Retirement Account.

(8) Includes 600 shares held by his daughter.

(9) Includes 50,000 shares held in a personal Individual Retirement Account and 7,650 shares held by the Lewis Living

Trust.

(10) Includes 3,666 shares held as trustee of the St. Clair Family Trust.

(11) Includes 16,000 shares held as trustee of a family trust.

Committees of the Board of Directors

Audit Committee

The members of the Audit Committee are Michael J. Donovan (Committee Chairman), Jeanne D. Hubbard, Ronald A. Metcalfe, and Eugene W. Traverso. All Audit Committee members would be deemed independent under Rule 4200(a)(15) and Rule 4350(d)(2)(A) of Nasdaq's listing standards.

The principal duties of the Audit Committee are the following: (i) select the Bank's independent registered public accounting firm; (ii) meet with the independent registered public accounting firm to review and approve the scope of their audit engagement and the fees related to such work; (iii) meet with the Bank's financial management, internal audit management and independent registered public accounting firm to review matters relating to internal accounting controls, the internal audit program, the Bank's accounting practices and procedures and other matters relating to the financial condition of the Bank; and (iv) periodically report to the Board any conclusions or recommendations that the Audit Committee may have with respect to such matters. The Audit Committee met eight times during 2007. The committee has a written charter.

The Bank's Board of Directors has determined that the Bank has two audit committee financial experts, Ronald A. Metcalfe and Jeanne D. Hubbard, serving on its Audit Committee. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and Board of Directors in the absence of such designation or identification.

Loan Committee

The members of the Loan Committee are Richard A. Dorr, (Committee Chairman), Michael J. Donovan, Thomas M. Duryea, Allan J. Hemphill, Jeanne D. Hubbard, John C. Lewis and Eugene W. Traverso.

The Loan Committee is responsible for the approval and supervision of loans and the development of the Bank's loan policies and procedures. The Loan Committee met 28 times during 2007.

Asset-Liability Management Committee

The members of the Asset-Liability Management Committee are Eugene W. Traverso (Committee Chairman), Thomas M. Duryea and Dennis E. Kelley, John C. Lewis.

The Asset-Liability Management Committee is responsible for the development of policies and procedures related to liquidity and asset-liability management. The Asset-Liability Management Committee met four times during 2007.

Internal Asset Review Committee

The members of the Internal Asset Review Committee are Richard A. Dorr (Committee Chairman), Michael J. Donovan, Thomas M. Duryea, Allan J. Hemphill, Jeanne D. Hubbard, John C. Lewis and Eugene W. Traverso.

The Board of Directors' Internal Asset Review Committee reviews and makes monthly recommendations to the Board of Directors regarding the adequacy of the allowance for loan losses and is responsible for ensuring that an independent third party reviews the loan portfolio at least annually. Management reports to the Committee regarding the administration of the Bank's loan policy, the existence of proper loan documentation and the methodology for monitoring loan quality and the level of the allowance for loan losses. The Internal Asset Review Committee met 13 times in 2007.

Investment Committee

The members of the Investment Committee are John F. DeMeo (Committee Chairman), Thomas Duryea, Todd R. Fry, John C. Lewis, and Eugene W. Traverso.

The Investment Committee is responsible for the development of policies and procedures related to the Bank's investment portfolio and supervision of the Bank's investments. The Investment Committee met four times during 2007.

Information Technology Committee

The members of the Information Technology Committee are George I. Hamamoto (Committee Chairman), Thomas M. Duryea and John C. Lewis.

The Information Technology Committee determines appropriate information technology systems for the Bank and reviews the performance of these systems. The Information Technology Committee met once in 2007.

Incentive Committee

The members of the Incentive Committee are John F. DeMeo (Committee Chairman), George I. Hamamoto, Ronald A. Metcalfe, Robert B. St. Clair and Eugene W. Traverso.

The Incentive Committee determines appropriate methods of incentive compensation for officers and employees. The Incentive Committee did not meet in 2007.

Nominating Committee

The members of the Nominating Committee are Ron Metcalfe (Committee Chairman), Allan Hemphill, Jeanne D. Hubbard, and Eugene W. Traverso. The Committee will identify and review candidates for the Board of Directors and review the appropriate skills and characteristics

required of Board members, in consultation with the Chairman and Chief Executive Officer, and recommends director nominees to the Board. The Committee will also consider and evaluate director nominees proposed by shareholders. The Nominating Committee met two times in 2007.

Corporate Governance Committee

The members of the Corporate Governance Committee are Ronald Metcalfe (Committee Chairman), Michael J. Donovan, and Jeanne D. Hubbard. The Corporate Governance Committee evaluates Board performance and the structure of Board committees, and ensures that the corporation has sound governance. The Corporate Governance Committee did not meet in 2007.

Compensation Committee

The members of the Compensation Committee are Ron Metcalfe, (Committee Chairman) Jeanne D. Hubbard and Todd R. Fry. The Committee evaluates and recommends to the Board of Directors' salary and other compensation for the CEO and President and bonuses for the executive officers. The Committee met once in 2007. The Committee has a charter adopted in March 2007.

Transactions With Related Persons

Some of the Bank's directors and executive officers, as well as members of their immediate families and associates, are customers of, and have had banking transactions with, the Bank in the ordinary course of the Bank's business, and the Bank expects to have such ordinary banking transactions with these persons in the future. In the opinion of management of the Bank, all loans and commitments to lend included in such transactions were made in the ordinary course of business on the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other persons of similar creditworthiness, and do not involve more than the normal risk of collectibility or present other unfavorable features. While the Bank does not have any limits on the aggregate amount it may lend to directors and executive officers as a group, loans to individual directors and officers must comply with the Bank's lending policies and statutory lending limits. In addition, in some cases prior approval of the Bank's Board of Directors must be obtained for such loans, as required by federal and state regulations applicable to the Bank.

In 2007 there were no other existing or proposed material transactions between the Bank and any of the Bank's directors, executive officers, nominees for election as a director, or the immediate family or associates of any of the foregoing persons.

The Bank's Code of Conduct requires that if a situation arises that may present a potential conflict of interest, it must be reviewed and approved by the Bank's Board or by a designee of the Board. An executive officer or director who is aware of an actual or potential conflict of interest must advise the Bank.

Nasdaq Rule 4350(h) requires the Bank to conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis and all such

transactions must be approved by the Bank's audit committee or another independent body of the Board of Directors. For purposes of the rule, the term "related party transaction" refers to transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404 which includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.

The Bank's Audit Committee charter requires the Audit Committee to review for approval all related party transactions for potential conflict of interest situations. The term "related party transaction" refers to transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404. The Audit Committee determines whether any such transaction poses a disclosure issue or, where a director is involved, adversely impacts a director's independence and makes an appropriate decision regarding the transaction.

Change In Control

The Board is not aware of any arrangements, including the pledge by any person of shares of the Bank, the operation of which may at a subsequent date result in a change in control of the Bank.

Executive Compensation

Compensation Discussion and Analysis

General Overview of Executive Compensation

The Bank currently has three designated executive officers: the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Credit Officer ("CCO"). Compensation for the executive officers consists of salary, annual bonus, stock options and other normal employee benefits that are offered to all employees of the Bank.

The Compensation Committee of the Board of Directors, which consists solely of outside directors, determines the compensation of the CEO based on their evaluation of the individual's performance and the overall performance of the Bank. Although no specific financial targets are set, factors used to assess the performance of the individual include the accomplishment of significant projects and strategies. The Bank's performance is evaluated on factors such as financial results, operations, and regulatory examination results. The CEO determines the compensation of the CFO and CCO. Annual salary is adjusted based on the Bank's performance and the performance of duties with respect to the officer's area of responsibility. The salary range of each position is compared to a peer group of banks in California and adjustment to salary is made when deemed appropriate.

The Compensation Committee recommends to the Board of Directors the annual bonus for the executive officers based on the Bank's financial performance and significant accomplishments during the year.

The Bank has no long-term, termination, retirement or change of control compensation agreements with any of the executive officers.

The following information is furnished with respect to the CEO, CFO and each other Executive Officer of the Bank whose aggregate compensation during 2007 exceeded $100,000.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)	Total ($)
Thomas M. Duryea, CEO and President (PEO) (4)	2007	125,144	5,000	-	13,815	10,274	154,233
	2006	105,338	5,000	150	-	3,096	113,584
Terrance M. Davis, President and COO (5)	2007	186,175	-	-	-	8,033	194,208
	2006	174,825	45,000	150	-	5,245	225,220
Dennis E. Kelley, S.V.P. and CFO (PFO)	2007	133,645	-	-	13,815	3,605	151,065
	2006	113,304	17,500	150	-	2,383	133,337
John C. Lewis, Chairman (6)	2007	153,610	-	-	-	3,937	157,547
	2006	125,000	-	150	-	-	125,150

(1) Bonus amounts shown for Messrs. Davis and Kelley for 2006 include $30,000 and $7,500, respectively, paid in 2006 with respect to performance in 2005.

(2) Represents 10 shares provided to every employee, including executive officers, in 2006 by the Board of Directors. This compensation was a one-time grant and not part of a formal plan.

(3) The option column shows amount recognized by the Bank under FAS 123R as compensation expense for the year on account of options that vested during the year. See Footnote 9 to the Audited Financial Statements contained in the Annual Report to Shareholders on Form 10-K for the assumptions used in the computation of the value of stock option awards.

(4) Thomas M. Duryea was appointed Chief Executive Officer and President in March 2008. He formerly was the Chief Credit Officer.

(5) Terrance M. Davis resigned as President and Chief Operating Officer in February 2008.

(6) John C. Lewis was appointed CEO in March 2006 and retired as CEO in March 2008. He currently serves as Chairman of the Board which is not classified as an executive officer and does not receive a salary.

Outstanding Equity Awards At 2007 Fiscal Year-End

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Terrance M. Davis	2,666	1,334	7.50	01/31/15
	20,000	-	7.13	09/01/12
Dennis E. Kelley	-	5,000	10.92	06/15/17
Thomas M. Duryea	-	5,000	10.92	06/15/17

Equity Compensation Plan Information

The information in the following table is provided as of the end of the fiscal year ended December 31, 2007, with respect to compensation plans (including individual compensation arrangements) under which equity securities are issuable:

Plan category	**Column (a) Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a))**
Equity compensation plans approved by security holders.....	20,000	$10.92	130,000
Equity compensation plans not approved by security holders	30,666	$7.26	-
Total.....	50,666	$8.70	130,000

Employment Contracts

There are no employment contracts between the Bank and any of the named executive officers.

Director Compensation For 2007

Name	Fees Earned or Paid in Cash ($)	All Other Compensation ($)	Total ($)
John F. DeMeo	$15,400	-	$15,400
Michael J. Donovan	22,300	-	22,300
Richard A. Dorr	20,000	-	20,000
Todd R. Fry	16,300	-	16,300
George I. Hamamoto	13,100	-	13,100
Allan J. Hemphill	21,700	-	21,700
Jeanne D. Hubbard	16,200	-	16,200
John C. Lewis (1)	-	-	-
Ronald A. Metcalfe	15,500	-	15,500
Marshall T. Reynolds	1,100	-	1,100
Robert B. St. Clair	14,200	-	14,200
Eugene W. Traverso	23,500	-	23,500

(1) Mr. Lewis served as Chairman and CEO during 2007 and received a salary as CEO and no director fees during that period.

Compensation Committee's Report on Compensation

The Compensation Committee has reviewed and discussed with the management of the Bank the Compensation Discussion and Analysis included in this proxy statement.

Based on such review and discussions, the Board of Directors of the Bank determined that the Compensation Discussion and Analysis be included in the Bank's annual report on Form 10-K and in this proxy statement.

Ronald A. Metcalf
Jeanne D. Hubbard
Todd R. Fry

Compensation Committee Interlocks and Insider Participation

During 2007, John C. Lewis, was the Bank's Chairman and Chief Executive Officer, and Terrance M. Davis, was the Bank's President and Chief Operating Officer, and served on the Bank's Board of Directors. The Board of Directors determines the remuneration for senior management. Messrs. Lewis and Davis did not participate as voting members of the Board of Directors with respect to matters related to their own compensation.

Audit Committee Report

The Audit Committee has reviewed and discussed the audited financial statements with management. The Audit Committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board, and has discussed with the independent accountant the independent accountant's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Bank's annual report on Form 10-K.

Michael J. Donovan
Jeanne D. Hubbard
Ronald A. Metcalfe
Eugene W. Traverso

Significant Litigation

The Bank is not involved in any litigation other than routine litigation in the ordinary course of the Bank's business.

Recommendation of the Board of Directors

You are urged to vote for Proposal 1: To elect the 13 nominees set forth herein to serve until the next annual meeting of the shareholders and until their respective successors shall be elected and qualified: John F. DeMeo, Michael J. Donovan, Richard A. Dorr, Thomas M. Duryea, Todd R. Fry, George I. Hamamoto, Allan J. Hemphill, Jeanne D. Hubbard, John C. Lewis, Ronald A. Metcalfe, Marshall T. Reynolds, Robert B. St. Clair, and Eugene W. Traverso. If no contrary instruction is given, the proxy holders intend to vote for each nominee listed.

— PROPOSAL 2 —

Ratification of Selection of Independent Public Accountants

At the 2008 Annual Meeting of Shareholders the following resolution will be subject to ratification by a simple majority vote of the shares represented at the meeting:

> RESOLVED, that the selection of Crowe Chizek and Company LLP ("Crowe Chizek") as the independent certified public accountants of Summit State Bank for the fiscal year ending December 31, 2008 is hereby ratified.

If ratification is not achieved, the selection of an independent certified public accountant will be reconsidered and made by the Audit Committee. Even if the selection is ratified, the Bank reserves the right and, in its discretion, may direct the appointment of any other independent certified public accounting firm at any time if the Board decides that such a change would be in the best interests of the Bank and its shareholders.

The services provided by Crowe Chizek include the examination and reporting of the financial status of the Bank.

A representative of Crowe Chizek is expected to attend the 2008 Annual Meeting of Shareholders. The representative will have the opportunity to make a statement, if desired, and is expected to be available to respond to appropriate shareholders' inquiries.

Fees Paid To Independent Public Accountants

Crowe Chizek served as the Bank's independent certified public accountants during the fiscal years ended December 31, 2006 and 2007. The table following sets for information regarding the fees paid to Crowe Chizek for services performed during the fiscal years ended December 31, 2006 and 2007.

Service	Fees for period ended December 31, 2007	Fees for period ended December 31, 2006
Audit	$88,000	$70,000
Audit-Related		
Tax	$9,050	$11,550
All other	$2,558	$6,500

Recommendation Of The Board Of Directors

The Board of Directors recommends that the shareholders vote in favor of approving the ratification of the selection of Crowe Chizek and Company LLP as the Bank's auditors for the fiscal year ending December 31, 2008. You are urged to vote for

Proposal 2: To ratify the selection of Crowe Chizek and Company LLP to serve as the Bank's auditors for the fiscal year ending December 31, 2008.

Other Business

If any matters not referred to in this Proxy Statement come before the meeting, including matters incident to the conduct of the meeting, the proxy holders will vote the shares represented by proxies in accordance with their best judgment. Management is not aware of any other business to come before the meeting and, as of the date of the preparation of this Proxy Statement, no shareholder has submitted to management any proposal to be acted upon at the meeting.

Code Of Ethics

The Bank has adopted a code of conduct governing the conduct of all its employees, officers and directors. The code is available upon written request to Dennis Kelley, Senior Vice President and Chief Financial Officer, Summit State Bank, 500 Bicentennial Way, Santa Rosa, California 95403.

Shareholder Communications with the Board Of Directors

Shareholders wishing to communicate with the Board of Directors or with a particular director may do so in writing addressed to the Board, or to the particular director, and delivering it to our Corporate Secretary at the address of our main office at 500 Bicentennial Way, Santa Rosa, California 95403. The recipient will promptly forward such communications to the applicable committee, director or to the Chairman of the Board for consideration

Other Matters

Any shareholder proposals intended to be considered by management of the Bank for inclusion in the Bank's Proxy Statement for the 2009 Annual Meeting of Shareholders must be received by the Bank no later than December 26, 2008.

The proxies for the 2009 Annual Meeting of Shareholders may use their discretion in voting on proposals presented at the Meeting of which the Bank did not have notice by at least March 9, 2009.

Santa Rosa, California
May 8, 2008

SUMMIT STATE BANK

Nancy Farber
Secretary