

Explanatory Note

Summit State Bank (“the Bank”) is filing this amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the “Form 10-K”), as filed with the Federal Deposit Insurance Corporation on March 11, 2016, to include Part III disclosures because the Bank anticipates that it will not file its definitive proxy statement within the 120 days of December 31, 2015.

In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment No. 1 sets forth below the complete text of Part III for Item 10 through Item 14. In addition, new Certifications of our Principal Executive Officer and Principal Financial Officer pursuant to Rules 13a-14(a) and 15D-14(a) of the Exchange Act are filed as exhibits to this Amendment No. 1.

This Amendment No. 1 does not include any additional changes, nor does it update any disclosures to reflect developments since the Form 10-K. In particular, any forward-looking statements included in this Amendment No. 1 represent management’s view as of the filing date of the Form 10-K. Accordingly, this Amendment No. 1 should be read in conjunction with the Form 10-K.

This Amendment No. 1 contains forward-looking statements within the meaning of Section 21E of the Exchange Act. Actual results could differ materially from those set forth in the forward-looking statements.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors of the Bank

The following is information regarding the members of the Board of Directors:

<u>Name</u>	<u>Age</u>	<u>Position With Bank</u>	<u>Director Since</u>	<u>Principal Occupation, Business Experience During Past Five Years and Other Information</u>
Jeffery B. Allen	56	Director	2013	Since 1980, President of Allen Land Design and in 2004 co-founded American Bio Diesel/Community Fuels. Prior thereto, he founded Muchas Grasses, a company that evolved into the largest resource of decorative grasses in the State of California. The Board’s primary reasons for determining that he should serve as a Director are his representation and knowledge of the Healdsburg community and ecologically sound landscape architecture industry.
James E. Brush	63	President /CEO and Director	2009	Appointed President and CEO of Summit State Bank on April 18, 2016. Director of the Bank since 2009. Previously a business consultant. Member of the Board of Access Healdsburg/MyHbg.tv, the Sonoma County Assessor’s Appeals Board and the Healdsburg Greyhound Boosters Board and Treasurer. Active CPA license for 25 years through 2003. The Board’s primary reason for determining that he should serve as

<u>Name</u>	<u>Age</u>	<u>Position With Bank</u>	<u>Director Since</u>	<u>Principal Occupation, Business Experience During Past Five Years and Other Information</u>
				a Director is his knowledge of the Healdsburg community, wine and commercial real estate industries.
Josh C. Cox, Jr.	74	Director	2011	Principal and owner of Josh Cox & Associates, a consulting firm focused on bank management and profitability enhancement. Chief Executive Officer and Director of numerous financial institutions since 1972. Senior Vice President of Summit State Bank from April 2006 to May 2007. The Board's primary reason for determining that he should serve as a Director is his knowledge of bank administration and lending.
Todd R. Fry	50	Director	2000	Chief Accounting Officer of Installed Building Products, Inc., a building products supplier and installer company, since 2014. Formerly the Chief Financial Officer of Champion Industries, Inc., a commercial printing, office supply and retail office furniture company, since 1999. The Board's primary reason for determining that he should serve as a Director is his knowledge of finance and accounting.
Allan J. Hemphill	77	Director / Chairman	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. The Board's primary reason for determining that he should serve as a Director is his knowledge of the local wine industry.
Ronald A. Metcalfe	57	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. The Board's primary reason for determining that he should serve as a Director is his knowledge of accounting and the local business community.
Richard E. Pope	70	Director	2013	Environmental Engineering Consultant for Coddling Investments, Inc. and Development Director for Sonoma Mountain Village, the first One Planet master planned community in Northern California, since 2006. Co-founder of BrightHaven, a nonprofit Animal Sanctuary, and awarded the Jefferson Award for Public Service in 2013. The Board's primary reason for determining that he should serve as a Director is his knowledge of the Sonoma County community and real estate development.
Nicholas J. Rado	65	Director	2009	President of Rado Consulting Services since November 2011. This business concentrates on accounting, job costing and Workers' Compensation insurance for the general engineering construction businesses. Vice President and CFO of North Bay Construction since 1991 with an engineering background and extensive financial operations experience. Past board member of the Engineering Contractors Association for 18 years, and being honored as Contractor of the Year in 1991 and 1996. He contributes extensively to the Petaluma community, including service on the Board of the Petaluma Boys & Girls Club. The Board's primary reasons for determining that he should serve as

<u>Name</u>	<u>Age</u>	<u>Position With Bank</u>	<u>Director Since</u>	<u>Principal Occupation, Business Experience During Past Five Years and Other Information</u>
Marshall T. Reynolds	79	Director	1998	a Director are his representation and knowledge of the Petaluma community and construction industry. Chairman of the Board and Chief Executive Officer of Champion Industries, Inc., a commercial printing, office supply and retail office furniture company. Chairman of the Board of Premier Financial Bancorp, Inc. Serves as a Director of several financial and other public and private companies listed below. The Board's primary reason for determining that he should serve as a Director is his experience in the financial industry, business acquisitions and corporate governance.
John W. Wright	66	Director	2014	Business Consultant. Previously Managing Director at Baxter Fentriss & Company, an investment banking company focused on the financial institution industry, since 2002. Serves on the Boards of Virginia Capital Partners, a private equity fund, and Vesta Property Services, a property management company for condominium and homeowner associations. The Board's primary reason for determining that he should serve as a Director is his knowledge of the financial industry and capital markets.

There are no family relationships among any of the Bank's executive officers or directors. The Board of Directors has determined that all directors except Thomas M. Duryea and James Brush 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.

The Board of Directors approved a retirement policy for directors upon reaching their 80th birthday.

With the exception of Mr. Reynolds, no Director or nominee chosen by the Board of Directors is, or within the last five years has been, 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. Mr. Reynolds is Chairman of the Board of Champion Industries, Inc., Chairman of the Board of Premier Financial Bancorp, Inc., Chairman of the Board of Energy Services of America Corporation, Director of First Guaranty Bancshares, Inc. of Hammond, Louisiana; each of which has registered its common stock pursuant to the Exchange Act. He is a former Director of Portec Rail Products, Inc. of Pittsburgh, Pennsylvania, Abigail Adams National Bancorp, Inc. of Washington D.C., and First State Financial Corporation of Sarasota, Florida.

During 2015, the Bank's Board of Directors met 10 times for regularly scheduled and special meetings. Each Director standing for reelection 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 2015, 10 of the 12 Directors attended the 2015 Annual Meeting in person.

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
Allan J. Hemphill ¹	77	Chairman of the Board	2012
Thomas M. Duryea ²	58	President and Chief Executive Officer	2006
Dennis E. Kelley	62	Executive Vice President and Chief Financial Officer	2005
Brandy A. Seppi	41	Executive Vice President and Chief Credit Officer	2016
Linda Bertauche	70	Executive Vice President and Chief Operating Officer	2009
James E. Brush ³	63	President and Chief Executive Officer	2016

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

Dennis E. Kelley was promoted in July 2015 to Executive Vice President and Chief Financial Officer and is designated as an executive officer of the bank. Mr. Kelley has been the Bank's Senior Vice President and Chief Financial Officer since January 2005. Previously he was Chief Financial Officer for Bank of Petaluma and National Bank of the Redwoods and its parent company, Redwood Empire Bancorp, and an Investment Representative/Registered Investment Advisor for A. G. Edwards.

Brandy A. Seppi was promoted in July 2015 to Executive Vice President and Chief Financial Officer and is designated as an executive officer of the bank. Ms. Seppi has been the Bank's Senior Vice President and Chief Credit Officer since January 2015. She was formerly Senior Vice President and Senior Relationship Manager with Umpqua Bank in San Francisco from July 2011 until joining Summit State Bank. Prior to that position, she was the Business

¹ Mr. Hemphill is Chairman of the Board and is named as an executive officer for succession planning purposes. He receives no salary compensation other than a Chairman fee and board and committee meeting fees.

² Mr. Duryea resigned as President and CEO on April 18, 2016.

³ Mr. Brush was appointed President and CEO on April 18, 2016.

Development Officer with City National Bank in the San Francisco Bay Area from October 2004 to July 2011. She is a long time resident of Sonoma County.

Linda Bertauche was promoted in July 2015 to Executive Vice President and Chief Operating Officer and Compliance Officer and is designated as an executive officer of the bank. Ms. Bertauche joined the Bank in July 2005 and was a Senior Vice President and Compliance Officer. During the previous five years and before joining the Bank, she was Senior Vice President of Bank Operations for National Bank of the Redwoods and responsible for loan operations, deposit operations, data processing and information technology.

The Bank has adopted a code of ethics applicable to all of our directors and employees, including the principal executive officer, principal financial officer and principal accounting officer. The code of ethics can be found on the Bank's website at http://www.summitstatebank.com/ethics_policy.aspx.

Board Leadership Structure and the Board's Role in Risk Oversight

Since March 2008, the Bank's leadership structure has separated the roles of chairman and chief executive officer. The Board believes that separating these functions gives the Board greater control of the Board's agenda and greater independence in oversight of risk. The Board has named the Chairman of the Board as an Executive Officer on a contingency basis for succession planning. The Chairman of the Board does not receive compensation beyond the Board fees and does not participate in operating management.

The Board guides management through the adoption of policies that establish risk limits and authority levels. Various Board committees oversee the adherence to the policies. The Audit Committee establishes an audit oversight program that considers areas of risk within the organization.

Audit Committee

The members of the Audit Committee at December 31, 2015 were Ronald A. Metcalfe (Committee Chairman), Jeffery B. Allen, Mark J. DeMeo, and John W. Wright. All Audit Committee members would be deemed independent under Rule 5605(a)(2) and Rule 5605(c)(2)(A) of Nasdaq's listing standards.

The principal duties of the Audit Committee are the following: (i) selecting the Bank's independent registered public accounting firm; (ii) meeting with the independent registered public accounting firm to review and approve the scope of its audit engagement and the fees related to such work; (iii) meeting 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 reporting to the Board any conclusions or recommendations that the Audit Committee may have with respect to such matters. The Audit Committee met five (5) times during 2015. The committee has a written charter, a copy of which can be found on the Bank's website at www.summitstatebank.com. The Bank's

Board of Directors has determined that the Bank has one Audit Committee financial expert, Mr. Metcalfe, 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.

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. The Audit Committee has received the written disclosures and the letter from the independent accountants required by 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.

Ronald A. Metcalfe
Jeffery B. Allen
Mark J. DeMeo
John W. Wright

Nominating Committee

The members of the Nominating Committee at December 31, 2015 were Allan J. Hemphill (Committee Chairman), Josh C. Cox, Jr., Richard E. Pope and Marshall T. Reynolds. All are independent under NASDAQ listing standards. The Committee identifies and reviews candidates for the Board of Directors and reviews 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. Shareholders wishing to recommend a candidate should provide the recommendation in writing, together with supporting information including the information described in the Notice of Annual Meeting of Shareholders in the 2015 Proxy Statement, to Barbara Gradman, Corporate Secretary, Summit State Bank, 500 Bicentennial Way, Santa Rosa, California 95403. The Nominating Committee will use the same evaluation criteria for a candidate recommended by a shareholder as it uses for a candidate identified by the Committee. The Nominating Committee met one time in 2015.

The Committee has a written charter, a copy of which can be found on the Bank's website at www.summitstatebank.com. In nominating candidates, the Committee takes into consideration such factors as the following: business or professional experience, judgment, skill, diversity of background and perspective, requirements of NASDAQ to maintain a minimum number of

independent directors, any requirements or regulations of the FDIC, requirements of the Securities and Exchange Commission to have persons with financial expertise available to serve on the Bank's audit committee, and the extent to which the candidate generally would be a desirable addition to the Board and any committees of the Board.

The Bank has never engaged or paid a third party to identify or evaluate potential nominees.

Section 16(a) Beneficial Ownership Reporting Compliance

To the Bank's knowledge and based solely on a review of the copies of reports furnished to the Bank and written representations that no other reports were required, during the fiscal year ended December 31, 2015, all Section 16(a) filing requirements were filed timely by the Bank's officers and directors.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Committee

The members of the Compensation Committee (the "Compensation Committee") are John Wright (Committee Chairman), Jeffery Allen and Nicholas Rado. All are independent under NASDAQ listing standards. 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 also develops and recommends to the Board a set of corporate governance principles applicable to the Bank. The Committee oversees the evaluation of the Board and management and evaluates the effectiveness of Board meetings and makes recommendations for improvement. The Committee met 6 times in 2015. The Committee has a charter that can be found on the Bank's website at www.summitstatebank.com.

Executive Compensation- Compensation Discussion and Analysis

General Overview of Executive Compensation

The Bank currently has five designated executive officers, which includes the Chairman of the Board who was designated as an executive officer for succession purposes but does not receive a salary or participate in daily management. He does receive Director fees. The executive officers responsible for daily management include the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Credit Officer ("CCO"), and the Chief Operating Officer ("COO"). 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, recommends to the Board of Directors 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 audit and examination results. 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 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 employment, termination, or retirement agreements. There are Change in Control Agreements (“Agreements”) with each of the executive officers. The Agreements allow for compensation and benefits if upon a Change in Control, as defined in the Agreements, the executive officer is terminated or a material change is made to title, duties or compensation. The following table represents the estimated Change in Control payments at December 31, 2015 if a triggering event were to have taken place at that time:

Change in Control Compensation

Name	Cash (\$) (1)	Benefits (\$) (2)	Total (\$)
Thomas Duryea, President & CEO (3)	\$ 510,375	\$ 69,918	\$ 580,293
Dennis Kelley, E.V.P. & CFO	\$ 237,250	\$ 41,905	\$ 279,155
Linda Bertauche, E.V.P. & COO	\$ 219,250	\$ 35,740	\$ 254,990
Brandy A. Seppi, E.V.P. & CCO	\$ 117,625	\$ 17,464	\$ 135,089

(1) Represents estimated lump sum cash payment upon a triggering event under the Change in Control agreement based on salary and bonus compensation as of December 31, 2015.

(2) Represents benefits (health benefits, 401 K matching contributions and other perquisites) provided during the maximum period after the triggering event under the Change in Control agreement based on benefits provided at December 31, 2015.

(3) Mr. Duryea resigned as President and CEO on April 18, 2016 and the Change in Control agreement was terminated.

On April 12, 2016, the Board of Directors revised its cash incentive bonus plan for selected executive officers and other employees. The plan is administered by the Compensation Committee. The plan may be terminated or modified by the Board at any time. Any officer or employee designated by the Compensation Committee is eligible to receive a payment under the plan.

Participating executive officers and employees are eligible for annual awards under the plan based on bank performance. Plan awards are determined based on bank performance at one of three levels: minimum, threshold, and maximum. The number of performance goals may

vary each year, but there are six goals for 2016. The precise performance goal categories also may vary each year, but for 2016 the six specific performance goal categories and the weights assigned to them are:

- 1) return on equity, 15%,
- 2) return on assets, 20%,
- 3) net loan growth, 15%
- 4) efficiency ratio, 15%
- 5) core deposit growth, 20%
- 6) classified asset coverage ratio, 15%

The executives selected for participation in 2016 are the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and the Chief Credit Officer. The Board of Directors may change any and all features of the plan at any time.

The total potential award pool is a fixed dollar amount established by the Board, with the recommendation of the Compensation Committee. For 2016 the maximum potential incentive bonus for each participating executive is one half of his or her base salary, the bonus pool for threshold performance is \$250,000, and for performance below threshold cash incentives are entirely within the discretion of the Board, which may allocate among participating executives a total cash incentive pool of up to \$100,000, but only if earnings for the year exceed that amount.

The Board has established performance benchmarks for minimum, threshold and maximum performance. It is not necessary to achieve threshold performance or better in all performance categories in order to receive a cash incentive award. With the input of the Compensation Committee, the Board of Directors also has discretion to make cash incentive awards based on the Board's subjective assessment of an executive's or other employee's performance.

For purposes of calculating bonuses and evaluating actual performance in the performance goal categories, the Compensation Committee has discretion to make adjustments to exclude any single, nonrecurring that results in either a 10% increase or 10% decrease in the calculated performance, as well as the discretion to make adjustments to account for significant or material events.

The Bank does not believe that any of its compensation policies or practices is reasonably likely to have a material adverse effect on it as such policies and practices related to risk-management practices and risk-taking incentives.

The following information is furnished with respect to the Executive Officers of the Bank whose aggregate compensation during 2015 exceeded \$100,000 (the "named executive officers").

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$ (1))	Stock Awards (\$)	Option Awards (\$ (2))	All Other Compensation (\$ (3))	Total (\$)
Thomas M. Duryea, CEO and President (PEO)	2015	275,000	35,667	-	-	45,005	355,672
	2014	275,019	24,000	-	-	27,396	326,416
Dennis E. Kelley, E.V.P. and CFO (PFO)	2015	178,000	35,767	-	-	10,171	223,938
	2014	178,031	14,000	-	-	9,817	201,848
Linda Bertauche, E.V.P. and COO	2015	160,000	37,267	-	-	9,099	206,365
	2014	160,038	14,000	-	-	9,740	183,778
Brandy A. Seppi, (4) E.V.P. and CCO	2015	159,744	20,100	-	-	7,250	187,094

- (1) The bonus reflects bonus awarded for 2014 and paid in 2015, with the exception of the bonus for Ms. Seppi which was a signing bonus paid in 2015. Mr. Duryea, Mr. Kelley, Ms. Bertauche and Ms. Seppi each received \$59,750 in bonus for 2015 that were paid in 2016.
- (2) The option column shows the grant date fair value of options granted during the year, if any. See Footnote 11 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 the stock option awards.
- (3) All Other Compensation includes various benefits, including but not limited to 401-K matching contributions, automobile allowance, value of vacation accrual in excess of cap and excess life insurance premiums. Includes severance payments to William Fogarty
- (4) Brandy A. Seppi joined the Bank in January 2015 as the S.V.P.

The following table sets forth certain information about equity awards held by the Bank's named executive officers as of December 31, 2015.

Outstanding Equity Awards at 2015 Fiscal Year End

Name	Option Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Thomas M. Duryea	5,000	-	10.92	6/25/17
	10,000	-	6.99	8/1/18
	1,916	-	5.27	1/26/19
	4,000	-	5.00	12/18/19
	1,600	400	5.50	10/24/21
	13,600	3,400	5.50	10/24/21
Dennis E. Kelley	-	2,400	5.50	10/24/21
Linda Bertauche	5,000	-	10.92	6/25/17
	10,000	-	5.75	9/28/19
	1,500	-	5.00	12/18/19
	10,000	-	6.28	3/22/20
	8,000	2,000	5.50	10/24/21

Employment Contracts

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

Director Compensation For 2015

The following table sets forth compensation paid to the Bank's non-employee directors during 2015.

Name	Fees Earned or Paid in Cash (\$)	Option Awards	All Other Compensation (\$)	Total (\$)
Jeffery B. Allen	\$ 21,000	-	-	\$ 21,000
James E. Brush	24,600	-	-	24,600
Josh C. Cox, Jr.	26,400	-	-	26,400
Mark J. DeMeo (1)	28,000	-	-	28,000
Michael J. Donovan (2)	5,600	-	-	5,600
Todd R. Fry	18,400	-	-	18,400
Allan J. Hemphill	49,200	-	-	49,200
Samuel G. Kapourales (3)	6,600	-	-	6,600
Ronald A. Metcalfe	20,000	-	-	20,000
Richard E. Pope	26,000	-	-	26,000
Nicholas J. Rado	23,600	-	-	23,600
Marshall T. Reynolds	16,000	-	-	16,000
Eugene W. Traverso (4)	12,400	-	-	12,400
John W. Wright	22,400	-	-	22,400

(1) Mark J. DeMeo resigned as a Director on April 19, 2016.

(2) Michael J. Donovan retired as a Director on March 4, 2015.

(3) Samuel G. Kapourales retired as a Director on April 19, 2015.

(4) Eugene W. Traverso retired as a Director on June 22, 2015.

During 2015, the Bank paid non-employee directors and the Chairman a monthly meeting fee of \$1,600 per meeting. The Chairman receives \$1,600 per month as a Chairman fee. Committee members received \$400 per committee meeting attended or \$200 per committee meeting attended via telephone if they live within 100 miles of Santa Rosa. Loan Committee members receive \$600 per month regardless of the number of meetings held.

The Director fees were increased for 2016 to \$1,800 per meeting beginning January 1, 2016, and the Chairman fee was increased to \$5,000 per month beginning April 25, 2016.

Committee Chairmen receive an additional fee of \$400 per meeting for Audit Committee, Asset and Liability Committee and Compensation Committee and \$600 per month for Loan Committee.

Compensation Committee Interlocks and Insider Participation

No member of the Bank’s Compensation and Corporate Governance Committee serves as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving as members of our Board of Directors or Compensation and Corporate Governance Committee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table summarizes information as of December 31, 2015 relating to equity compensation plans of the Bank pursuant to which grants of options, restricted stock, or other rights to acquire shares may be granted from time to time.

Plan category	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	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	109,116	\$6.45	150,000
Equity compensation plans: Not approved by security holders	-	-	-

Principal Shareholders

As of December 31, 2015, 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 except as follows:

<u>Name and Address of Beneficial Owner</u>	<u>Amount of Beneficial Ownership</u>	<u>Percent of Class</u>
Constance L. Coddling ⁽¹⁾	428,867	8.8%
Marshall T. Reynolds ⁽²⁾	708,340	14.5%

(1) Ms. Coddling's address is 3358 Miraloma Dr., Santa Rosa, CA 95404.

(2) Includes 1,600 shares of common stock purchasable under vested stock options as of March 31, 2016. Mr. Reynolds' business address is c/o Summit State Bank, 500 Bicentennial Way, Santa Rosa, California 95403.

Security Ownership of Management

The following table sets forth information as of April 26, 2016 pertaining to beneficial ownership of the Bank's common stock (the sole class of voting 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 term "Executive Officer" refers to the President and Chief Executive Officer; the Executive Vice President and Chief Financial Officer; the Executive Vice President and Chief Credit Officer; and the Executive Vice President and Chief Operating Officer. 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)	Footnote
Jeffery B. Allen	Director	1,850	-	(3)
Linda Bertauche	EVP and Chief Operating Officer	34,610	-	(3) (4)
James E. Brush	Director, CEO and President	38,596	-	(3)
Josh C. Cox, Jr.	Director	1,610	-	(3) (5)
Thomas M. Duryea	Director, CEO and President	76,206	1.6%	(6)
Todd R. Fry	Director	5,600	-	(3) (5) (7)
Allan J. Hemphill	Director and Chairman	6,274	-	(3) (8)
Dennis Kelley	EVP and Chief Financial Officer	30,210	-	(3)
Ronald A. Metcalfe	Director	5,600	-	(3) (9)
Richard E. Pope	Director	0	-	(3)
Nicholas J. Rado	Director	6,600	-	(3) (10)
Marshall T. Reynolds	Director	708,340	14.5%	(5)
Brandy A. Seppi	EVP and Chief Credit Officer	300	-	(3)
John W. Wright	Director	4,500	-	(3)
All directors and executive officers as a group (16 in number)		920,296	18.9%	(11)

- (1) The address for all persons is c/o Summit State Bank, 500 Bicentennial Way, Santa Rosa, California, 95403.
- (2) Includes shares beneficially owned (including options exercisable within 60 days of March 31, 2016), 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 34,500 shares under option exercisable within 60 days of March 31, 2016.
- (5) Includes 1,600 shares under option exercisable within 60 days of March 31, 2016.
- (6) Includes 26,441 shares with sole voting and investment power, 7,400 shares of shared voting and investment power, and 690 shares indirectly owned. Includes 36,116 shares under option exercisable within 60 days of March 31, 2016. Mr. Duryea resigned as a director and officer on April 18, 2016.
- (7) Includes 600 shares held by his daughter.
- (8) Includes 800 shares under option exercisable within 60 days of March 31, 2016.
- (9) Includes 1,300 shares under option exercisable within 60 days of March 31, 2016.
- (10) Includes 400 shares under option exercisable within 60 days of March 31, 2016.
- (11) Includes options to purchase 77,916 shares of common stock, which are exercisable within 60 days of March 31, 2016.

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.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

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. Directors and executive officers are eligible to participate in the Bank's employee loan program, which offers preferred interest rates on primary home mortgage loans. Otherwise, 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 collectability 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 executive 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.

The Bank has an Employee Home Loan Program, where all employees, including executive officers and directors, are eligible to receive mortgage loans with a 30-year loan with the rate adjusted every 5, 7 or 10 years, at the employee's choosing. The loan rate will be pursuant to the "Index H.15" which is the weekly average yield on the United States Treasury securities adjusted to a constant maturity of 5, 7, or 10 years as made available by the Federal Reserve Board plus .50%. The loan will be fixed for the desired period and will be amortized on a 30 year schedule. At the end of each fixed period the mortgage may be adjusted for an identical fixed rate period according to the formula above. The minimum loan rate will be based on the above formula. The maximum life-of-loan rate increase will be 5% above the initial loan rate.

The Bank makes all loans to executive officers and directors under the Employee Home Loan Program in compliance with the applicable restrictions of Section 22(h) of the Federal Reserve Act. Messrs. Brush, Duryea, Hemphill, Kelley and Rado have home mortgage loans through this Program. The total of the executive officer and director loans from this program at December 31, 2015 was \$1,874,123 with balances ranging from \$158,087 to \$647,015 and interest rates ranging from 0.74% to 1.21%. The following table provides additional information:

Name	Highest balance during year	Latest balance	Principal paid during year	Interest paid during year	Interest rate
Mr. Brush	\$ 187,981	\$ 174,143	\$ 10,398	\$ 1,255	1.21%
Mr. Duryea	\$ 672,060	\$ 640,915	\$ 25,045	\$ 4,277	0.89%
Mr. Hemphill	\$ 399,004	\$ 382,082	\$ 12,709	\$ 2,632	0.74%
Mr. Kelley	\$ 164,362	\$ 156,050	\$ 6,276	\$ 1,106	1.21%
Mr. Rado	\$ 526,724	\$ 498,019	\$ 21,581	\$ 3,667	1.15%

In 2015 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's Compliance Officer, Linda Bertauche.

NASDAQ Rule 5630 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 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.

The Board of Directors has determined that all directors except Thomas M. Duryea (who resigned in April 2016) and James Brush (who became an executive officer in April 2016) meet NASDAQ’s requirements for independence of directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The table following sets forth information regarding the fees paid to Moss Adams during the fiscal years ended December 31, 2015 and 2014.

<u>Service</u>	<u>Fees for period ended December 31, 2015</u>	<u>Fees for period ended December 31, 2014</u>
Audit Fees	\$169,890	\$87,427
Audit Related Fees	-	\$3,200
Tax Fees	\$18,087	\$14,000
All Other Fees	-	-

Audit-related fees were for various other Audit Committee assignments.

All services of the independent accountants are approved by the Audit Committee.

The Bank’s Audit Committee has considered whether Moss Adams’ provision of the services described above under the captions “Audited Related Fees,” “Tax Fees” and “All Other Fees” is compatible with maintaining the independence of Moss Adams.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Dated: <u>April 29, 2016</u>	<u>/s/ Jeffery B. Allen</u> Jeffery B. Allen, Director
Dated: <u>April 29, 2016</u>	<u>/s/ James E. Brush</u> James E. Brush, President and Chief Executive Officer (Principal Executive Officer) and Director
Dated: <u>April 29, 2016</u>	<u>/s/ Josh C. Cox, Jr.</u> Josh C. Cox, Jr., Director
Dated: <u>April 29, 2016</u>	<u>/s/ Todd R. Fry</u> Todd R. Fry, Director
Dated: <u>April 29, 2016</u>	<u>/s/ Allan J. Hemphill</u> Allan J. Hemphill, Chairman of the Board and Director
Dated: <u>April 29, 2016</u>	<u>/s/ Dennis E. Kelley</u> Dennis E. Kelley, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
Dated: <u>April 29, 2016</u>	<u>/s/ Ronald A. Metcalfe</u> Ronald A. Metcalfe, Director
Dated: <u>April 29, 2016</u>	<u>/s/ Richard E. Pope</u> Richard E. Pope, Director
Dated: <u>April 29, 2016</u>	<u>/s/ Nicholas J. Rado</u> Nicholas J. Rado, Director
Dated: <u>April 29, 2016</u>	<u>/s/ Marshall T. Reynolds</u> Marshall T. Reynolds, Director
Dated: <u>April 29, 2016</u>	<u>/s/ John W. Wright</u> John W. Wright, Director

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>EXHIBIT</u>
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 certifications

EXHIBIT 31.1

Certification pursuant to Rule 13a-14(a)/15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.

I, James E. Brush, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Summit State Bank (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

EXHIBIT 31.2

Certification pursuant to Rule 13a-14(a)/15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.

I, Dennis E. Kelley, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Summit State Bank (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Dennis Kelley _____ April 29, 2016_
Dennis E. Kelley
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification pursuant to 18 U.S.C. §1350

In connection with the annual report on Form 10-K of Summit State Bank (the Registrant) for the year ended December 31, 2013, as filed with the Federal Deposit Insurance Corporation, the undersigned hereby certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- 1) such Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: April 29, 2016

/s/ James E. Brush

James E. Brush
President and Chief Executive Officer

Dated: April 29, 2016

/s/ Dennis Kelley

Dennis E. Kelley
Senior Vice President and Chief Financial Officer