

AMERICAN RIVER BANKSHARES

Form 8-K

December 22, 2016

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT**

**TO SECTION 13 or 15(d) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest reported) December 22, 2016

American River Bankshares

(Exact name of Registrant as Specified in Its Charter)

California

(State or Other Jurisdiction of Incorporation)

Edgar Filing: AMERICAN RIVER BANKSHARES - Form 8-K

0-31525  
(Commission File Number)

68-0352144  
(IRS Employer Identification No.)

3100 Zinfandel Drive, Suite 450, Rancho Cordova, CA 95670  
(Address of Principal Executive Offices) (Zip Code)

(916) 851-0123

(Registrant's Telephone Number, Including Area Code)

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

Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Solicitation material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Page 1 of Page 4

The Index to Exhibits is on Page 4

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

(e)(3) On December 21, 2016, the Board of Directors of the registrant, American River Bankshares, approved the Twelfth Amendment to the American River Bankshares 2005 Executive Annual Incentive Plan (the "Plan"). The Eleventh Amendment modifies Attachment A of the Plan by setting the performance metrics and the weightings for 2017, and Attachment B of the Plan, Funding Thresholds. The ROE Relative to Peers and the Loan Growth Relative to Peers are tied to the peer group determined on an annual basis by the Company's Compensation Committee. The ROE Relative to Internal Target has been reset to the budget for 2017. The Eleventh Amendment sets the performance metrics and the weightings for 2017 for the incentive compensation plan as follows:

The following weightings were assigned to the metrics for the Chief Executive Officer:

ROE Relative to Peers	41.25%
Loan Growth Relative to Peers	25.00%
ROE Relative to Internal Target	33.75%

The following weightings were assigned to the metrics for the Chief Financial Officer and the Chief Credit Officer:

ROE Relative to Peers	37.50%
Loan Growth Relative to Peers	10.00%
ROE Relative to Internal Target	42.50%
Quality of Bank Performance	10.00%

The following weightings were assigned to the metrics for the Chief Operating Officer:

ROE Relative to Peers	37.50%
Loan Growth Relative to Peers	10.00%
ROE Relative to Internal Target	32.50%
Quality of Bank Performance	20.00%*

\*If this metric is met the weighting will drop to 10% for Quality of Bank Performance and the payout for ROE Relative to Internal Target will increase from 32.50% to 42.50%.

The minimum Funding Threshold (Attachment B of the Plan), remains a Quality of Bank Performance. Attaining the minimum Funding Threshold is required to attain incentive compensation for any of the metrics.

The targeted incentive as a percent of salary would be as follows:

Chief Executive Officer	50%
Chief Financial Officer, Chief Operating Officer, and Chief Credit Officer	30%

Item 8.01. Other Events.

Registrant issued a press release December 22, 2016 announcing the appointment of Jeffery Owensby to both the American River Bankshares and its subsidiary American River Bank Board. The foregoing description is qualified by reference to the press release attached here to as Exhibit 99.1.

The target for the ROE Relative to Peers and Loan Growth Relative to Peers is the 50<sup>th</sup> percentile and would result in attaining 100% of the available payout. Attaining the 30<sup>th</sup> percentile would result in a payout of 50% of the available payout and attaining the 75<sup>th</sup> percentile would result in a payout of 150% of the available payout. Results achieved between the minimum and maximum would result in a pro rata share of the incentive available.

The ROE Relative to Internal Target metric minimum is set at 85% of the target and results in incentive compensation equal to 50% of the available payout. The maximum for this metric is set at 120% of the target and results in incentive compensation equal to a 150% of the available payout for this metric. Results achieved between the minimum and maximum would result in a pro rata share of the incentive available.

The foregoing is qualified in its entirety and should be read in conjunction with the Plan, incorporated by reference from Exhibit 99.1 to the Registrant's Report on Form 8-K, filed with the Commission on October 27, 2005, the First Amendment thereto, incorporated by reference from Exhibit 99.1 to the Registrant's Report on Form 8-K, filed with the Commission on March 17, 2006, the Second Amendment thereto, incorporated by reference from Exhibit 99.1 to the Registrant's Report on Form 8-K, filed with the Commission on March 23, 2007, the Third Amendment thereto, incorporated by reference from the Registrant's Report on Form 8-K, filed with the Commission on February 22, 2008, the Fourth Amendment thereto, incorporated by reference from the Registrant's Report on Form 8-K, filed with the Commission on March 20, 2009, the Fifth Amendment thereto, incorporated by reference from the Registrant's Report on Form 8-K, filed with the Commission on March 17, 2010, the Sixth Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on March 17, 2011, the Seventh Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on February 16, 2012, the Eighth Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on January 31, 2013, the Ninth Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on January 16, 2014, the Tenth Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on January 27, 2015, and the Eleventh Amendment thereto, incorporated by reference from the Registrant's Current Report on Form 8-K, filed with the Commission on January 22, 2016.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

(99.1) Press release dated December 22, 2016

**SIGNATURES**

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

AMERICAN RIVER BANKSHARES

/s/ Mitchell A. Derenzo

December 22, 2016 **Mitchell A. Derenzo**, Chief Financial Officer  
(Principal Accounting and Financial Officer)

INDEX TO EXHIBITS

Exhibit No. Description

99.1 Press release of American River Bankshares dated December 22, 2016