

AMERICAN RIVER BANKSHARES

Form 8-K

February 17, 2012

**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) February 15, 2012

American River Bankshares

(Exact name of registrant as specified in its chapter)

California                      0-31525              68-0352144  
(State or other jurisdiction    (Commission    (IRS Employer  
Of incorporation)              File Number)    Identification No.)

3100 Zinfandel Drive, Suite 450, Rancho    95670  
Cordova, California  
(Address of principal executive offices)    (Zip Code)

Registrant's telephone number, including area code (916) 851-0123

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:

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- o Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
- o Solicitation material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

(e)(1) On February 15, 2012, the Board of Directors of the registrant, American River Bankshares (the “Company”), approved the incentive compensation earned in 2011 for the executive officers of the Company. The payments are expected to be paid on or before March 15, 2012 and are in accordance with the American River Bankshares 2005 Executive Incentive Plan, incorporated by reference from Exhibit 99.1 to the Registrant’s Current 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 Current 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 Current Report on Form 8-K, filed with the Commission on March 23, 2007; the Third Amendment thereto, incorporated by reference from Exhibit 99.1 to the Registrant’s Current Report on Form 8-K, filed with the Commission on February 22, 2008, the Fourth Amendment thereto, incorporated by reference from the Registrant’s Current Report on Form 8-K, filed with the Commission on March 20, 2009, the Fifth Amendment thereto, incorporated by reference from the Registrant’s Current Report on Form 8-K, filed with the Commission on March 18, 2010, and 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 payments are as follows: David Taber, Chief Executive Officer, \$88,232.45; Mitchell Derenzo, Chief Financial Officer, \$29,810.59; Douglas Tow, Chief Credit Officer, \$29,810.59; and Kevin Bender, Chief Operating Officer, \$29,810.59;

(e)(2) On February 15, 2012, the Board of Directors of the registrant, American River Bankshares, approved the Seventh Amendment to the American River Bankshares 2005 Executive Annual Incentive Plan (the “Plan”). The Seventh Amendment modifies Attachment A of the Plan by setting the performance metrics and the weightings for 2012, and Attachment B of the Plan, Funding Thresholds, by adjusting the performance targets based upon the Registrant’s 2012 budget. The targets for the 2012 performance metrics have been reset to the budget for 2012. In addition the target for net income is calculated on a pre-incentive, after tax basis. The Seventh Amendment sets the performance metrics and the weightings for 2012 for the incentive compensation plan as follows:

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

Net Income of the Company	60%
Classified Assets to Equity	20%
Quality of Bank Performance	20%

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

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Net Income of the Company	45%
Quality of Bank Performance	25%
Operational Effectiveness	30%

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

Net Income of the Company	25%
Classified Assets to Equity	30%
Quality of Bank Performance	15%
Nonperforming loans and leases to gross loans and leases	30%

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The minimum net income required to attain incentive compensation for any of the metrics will be 70% of target.

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

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

The net income and the nonperforming loans and leases to gross loans and leases metrics minimum is 85% of the targeted and the classified assets to equity minimum is 94% of the target. Attaining the minimum on any of these metrics, results in incentive compensation equal to 50% of the available payout. The maximum for these metrics is set at 120% of the target and results in incentive compensation equal to a 150% of the available payout for each metric achieved. 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, and 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.

Item 9.01. Financial Statements and Exhibits

- (a) Financial Statements  
Not Applicable.
- (b) Pro Forma Financial Information  
Not Applicable.
- (c) Shell Company Transactions  
Not Applicable.
- (d) Exhibits  
Not Applicable.

**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

February 16, 2012 Mitchell A. Derenzo, Chief Financial Officer

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