

FIRST NATIONAL COMMUNITY BANCORP INC  
Form 10-Q/A  
December 02, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-Q/A**

Amendment No. 1

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-53869

## FIRST NATIONAL COMMUNITY BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

<b>Pennsylvania</b> (State or Other Jurisdiction)	<b>23-2900790</b> (I.R.S. Employer
of Incorporation or Organization)	Identification No.)
<b>102 E. Drinker St., Dunmore, PA</b> (Address of Principal Executive Offices)	<b>18512</b> (Zip Code)

Registrant's telephone number, including area code **(570) 346-7667**

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

**Common Stock, \$1.25 par value**  
(Title of Class)

**16,441,319 shares**  
(Outstanding at November 29, 2011)

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**EXPLANATORY NOTE**

This Amendment No. 1 ( Amendment ) on Form 10-Q/A to the Quarterly Report on Form 10-Q of First National Community Bancorp, Inc. (the Company ) for the quarterly period ended June 30, 2010, filed with the Securities and Exchange Commission ( SEC ) on August 9, 2010 (the Original Report ) is being filed to revise and restate the Company s consolidated financial statements for the three and six month period ended June 30, 2010 that were filed with the Original Report to correct certain information and to address the impact of such changes on other disclosures included in the Original Report. The Company has previously advised that the financial statements for June 30, 2010 included in the Original Report should no longer be relied upon.

In particular, this Amendment:

- amends and restates in their entirety the consolidated financial statements of the Company, and the notes thereto, included in Item 1 hereof, to appropriately reflect (i) the accounting for and timing of charges related to other than temporary impairment (OTTI) of the collateralized debt obligations in the Company s securities investment portfolio, (ii) the determination of the Company s provision and allowance for loan and lease losses, (iii) the provision for off-balance sheet commitments, (iv) the accounting for deferred loan fees and costs, (v) the related effect on the Company s deferred tax assets and valuation allowance and (vi) other miscellaneous accounting issues;
- amends and revises Management s Discussion and Analysis of Financial Condition and Results of Operations to reflect the restated consolidated financial statements;
- revises the disclosures regarding, and management s assessment of, the Company s disclosure controls and procedures and internal control over financial reporting to reflect current management s determination that material weaknesses in such controls existed at June 30, 2010;
- provides additional disclosure regarding non-performing assets, including those loans extended to insiders or affiliates thereof;
- provides information relating to the Company s and Bank s regulatory orders entered into after the date of the Original Report to provide context for the amendments included in this document; and
- revises and corrects disclosure in response to comments from the SEC.

Other than as noted above, the Company is not required to and has not updated any forward-looking statements previously included in the Original Report. The Company has made no attempt in this Amendment to modify or update the disclosures presented in the Original Report other than as noted above. Other than as noted above or reflected in this Explanatory Note, this Amendment does not reflect events occurring after the filing of the Original Report except to the extent information learned after the Original Report was filed relates to periods prior to June 30, 2010. This Amendment is being filed in conjunction with amendments to the Company s annual report on Form 10-K/A for the annual period ended December 31, 2009 and to its quarterly report on Form 10-Q/A for the quarterly period ended March 31, 2010. The Company plans to file shortly its annual report on Form 10-K for the year ended December 31, 2010 and its quarterly reports on Form 10-Q for the quarterly periods ended September 30, 2010, March 31, 2010, June 30, 2011 and September 30, 2011. This Amendment should be read in conjunction with all such filings and all such filings should be read in their entirety.

As indicated above, the Company has restated its financial statements for the quarter ended June 30, 2010. The Company has also restated its financial statements for the year ended December 31, 2009 and for the quarter ended March 31, 2010. Unless otherwise indicated, the

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discussion in this Amendment gives effect to these restatements of the Company's financial statements.

In the first half of 2011, the Company received document subpoenas from the SEC. The information requested generally relates to disclosure and financial reporting by the Company and the restatement of the Company's financial statements for the year ended December 31, 2009, and the quarters ended March 31, 2010 and June 30, 2010. The Company is cooperating with the SEC in this matter.

Readers should review the risk factors described in other documents that the Company files or furnishes, from time to time, with the SEC, including Annual Reports to Shareholders, Annual Reports filed on Form 10-K, Form 10-Q and other current reports filed or furnished on Form 8-K and any amendments to such reports.

Table of Contents**PART I Financial Information****Item 1 Financial Statements****FIRST NATIONAL COMMUNITY BANCORP, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS (unaudited)**

(in thousands, except for share data)	June 30, 2010 (as restated) (Unaudited)	December 31, 2009 (as restated)
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	\$ 21,795	\$ 24,189
Federal funds sold	60,925	62,175
Total cash and cash equivalents	82,720	86,364
Securities:		
Available-for-sale, at fair value	253,006	252,946
Held-to-maturity, at cost (fair value \$1,869 and \$1,788)	1,946	1,899
Loans held for sale	119	
Loans, net of allowance for loan and lease losses of \$27,378 and \$22,458	862,327	917,516
Bank premises and equipment	20,619	20,667
Accrued interest receivable	3,907	4,245
Intangible assets	1,731	1,794
Other assets	79,830	80,901
<b>Total Assets</b>	<b>\$ 1,306,205</b>	<b>\$ 1,366,332</b>
<b>Liabilities</b>		
Deposits:		
Demand	\$ 75,745	\$ 85,370
Interest-bearing demand	340,516	352,631
Savings	95,682	86,455
Time (\$100,000 and over)	227,300	238,839
Other time	282,539	308,313
Total deposits	1,021,782	1,071,608
FHLB advances	175,576	183,830
Subordinated debentures	25,000	23,100
Junior subordinated debentures	10,310	10,310
Other debt	206	227
Accrued interest payable	2,704	3,064
Other liabilities	10,385	11,109
Total liabilities	1,245,963	1,303,248
<b>Shareholders Equity</b>		
Common shares (\$1.25 par)		
Authorized: 50,000,000 shares as of June 30, 2010 and December 31, 2009		
Issued and outstanding: 16,315,605 shares at June 30, 2010 and 16,289,970 shares at December 31, 2009	20,395	20,362
Additional paid-in capital	61,271	61,190
Retained earnings	(12,182)	(6,162)
Accumulated other comprehensive loss	(9,242)	(12,306)

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Total shareholders equity		60,242		63,084
<b>Total Liabilities and Shareholders Equity</b>	\$	1,306,205	\$	1,366,332

The accompanying notes to consolidated financial statements are an integral part of these statements.

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**FIRST NATIONAL COMMUNITY BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)**

<b>Three Months ended</b>		<b>Six Months ended</b>
<b>June 30,</b>		<b>June 30,</b>
<b>2010</b>	<b>2009</b>	