

INTERMOUNTAIN COMMUNITY BANCORP
 Form 4
 December 05, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Smith Jerry

2. Issuer Name and Ticker or Trading Symbol
 INTERMOUNTAIN COMMUNITY BANCORP [IMCB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 231 N. THIRD AVE.
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/04/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Executive Vice President / President, Panhandle State Bank

SANDPOINT, ID 83864

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---------|---|-----------------------------------|
| | | | | (A) or (D) | Price | | | | | |
| Common Stock | 12/04/2006 | | X | V | 15,000 | A | \$ 2.94 | 110,248 | D | |
| Common Stock | | | | | | | | 1,142 | I | Held in custodial account for son |
| Common Stock | | | | | | | | 1,142 | I | Held in custodial account for son |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Employee Stock Option | \$ 2.94 ⁽¹⁾ | 12/04/2006 | | X | 15,000 | ⁽²⁾ 08/17/2009 | Common Stock 15,000 |
| Director Stock Option | \$ 4.09 ⁽¹⁾ | | | | | ⁽³⁾ 06/21/2010 | Common Stock 3,076 |
| Employee Stock Option | \$ 4.09 ⁽¹⁾ | | | | | ⁽⁴⁾ 01/01/2011 | Common Stock 8,785 |
| Employee Stock Option | \$ 6.06 ⁽¹⁾ | | | | | ⁽⁵⁾ 01/01/2013 | Common Stock 3,214 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------|---------------------------------|
| | Director | 10% Owner | Officer | Other |
| Smith Jerry 231 N. THIRD AVE. SANDPOINT, ID 83864 | X | | Executive Vice President | President, Panhandle State Bank |

Signatures

Susan A. Pleasant Executive Asst. & POA
12/05/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Number and price of Securities reflects a 3:2 stock split effective March 2005 and a 10% Dividend effective May 2006.
- (2) Option vested in two equal annual installments beginning 8/17/00.
- (3) Options vest in five equal annual installments beginning 6/21/01.
- (4) The options vest in five equal annual installments beginning 1/1/02.
- (5) Options vest in five equal annual installments beginning 1/1/2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.