

OptimumBank Holdings, Inc.  
Form 10-Q/A  
November 23, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q/A**

(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, 2009

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

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

Commission file number 000-50755

**OPTIMUMBANK HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

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**Florida** **55-0865043**  
(State or other jurisdiction of **(IRS Employer**  
incorporation or organization) **Identification No.)**  
**2477 East Commercial Boulevard, Fort Lauderdale, FL 33308**

(Address of principal executive offices)

**954-776-2332**

(Registrant's telephone number, including area code)

**N/A**

(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  \*The registrant has not yet been phased into the interactive data requirements.

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 3,276,842 shares of Common Stock, \$.01 par value, issued and outstanding as of August 13, 2009

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**EXPLANATORY NOTE:**

This Amendment No. 1 to the Quarterly Report on Form 10-Q ( Amended Report ) for OptimumBank Holdings, Inc. ( Company ) for the quarterly period ended June 30, 2009 is being filed to amend portions of the Company s Quarterly Report on Form 10-Q for its quarterly period ended June 30, 2009, which was originally filed with the Securities and Exchange Commission ( SEC ) on August 14, 2009 ( Original Report ).

As previously disclosed in a Form 8-K filing on November 16, 2009, OptimumBank, the Company s wholly owned subsidiary (the Bank ), has amended its call report for the quarter ended June 30, 2009, to make certain adjustments required in connection with management s review of certain information including the Bank s loan portfolio performance.

The Company hereby amends Part I, Item 1. Financial Statements and Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations, to reflect a restatement of the financial statements in connection with the following adjustments:

The provision for loan losses for the second quarter of 2009 has increased from \$1,634,000 to \$4,102,000 and net loan charge offs for the second quarter of 2009, have increased from \$1,974,000 to \$2,632,000. As a result of the increased provision for loan losses for the second quarter of 2009, the allowance for loan losses as of June 30, 2009, has increased to \$3,297,000, or 2.05% of loans, compared to the originally reported amount of \$1,487,000, or .93% of loans.

Impaired loans, net of allowance for loan losses, have increased from \$7,292,000 to \$41,785,000 as of June 30, 2009. Of these impaired loans, at June 30, 2009, \$20,258,000 have been classified as non-accrual, an increase from the \$7,358,000 originally reported.

Service charges and fee income for the second of quarter of 2009 have decreased by \$47,000 from income of \$23,000 to a loss of \$24,000.

Loans, net of unearned income and the allowance for loan losses, have declined to \$157,061,000 from the previously reported level of \$159,262,000 and total assets have declined to \$283,235,000 from the previously reported level of \$284,024,000.

The Company s net loss after tax for the three months ended June 30, 2009, has increased from \$736,000 to 2,170,000. Loss per basic share (LPBS) for the second quarter of 2009, originally reported to be a loss of \$(0.22), has increased to a loss of approximately \$(0.66). Due to the adjustments in the second quarter of 2009 financial results, the Company s after tax net loss for the six months ended June 30, 2009, has increased from \$678,000 to \$2.1 million, and LPBS, originally reported at a loss of \$(0.21), has increased to a loss of approximately \$(0.64).

Total shareholders equity at June 30, 2009 has declined approximately \$1.4 million to \$20,654,000 from \$22,088,000.

OptimumBank s leverage ratio, tier 1 risk-based capital ratio and total risk-based capital ratio have declined to 9.23%, 12.81% and 14.06%, respectively, at June 30, 2009.

In Part I, Item 1, see footnote 8, Restatement of Previously Issued Financial Statements for the specific line items restated and a more detailed description of the changes made in this restatement.

In connection with the restatement of Items 1 and 2 described above, the Company is in the process of reevaluating the effectiveness of its internal controls over financial reporting and its disclosure controls and procedures and accordingly, has included revised disclosure in this Amended Report under Part I, Item 4T, Controls and Procedures.

This Amended Report sets forth the Original Filing in its entirety, although the Company is only restating those portions in Part I, items 1 and 2 affected by corrected financial information and the revised disclosures under Part I, Item 4T, below. This Amended Report includes currently-dated certifications from the Company s Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of

the Sarbanes-Oxley Act of 2002.

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**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

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	<b>June 30, 2009 (unaudited)</b>	<b>December 31, 2008</b>
	<b>(As Restated)</b>	
<b>Assets</b>		
Cash and due from banks	\$ 2,133	\$ 980
Interest-bearing deposits with banks	15,324	97
Federal funds sold	3,337	2,143
<b>Total cash and cash equivalents</b>	<b>20,794</b>	<b>3,220</b>
Securities held to maturity (fair value of \$86,381 and \$78,756)	94,477	82,208
Security available for sale	245	244
Loans, net of allowance for loan losses of \$3,297 and \$1,906	157,061	160,699
Federal Home Loan Bank stock	3,551	3,526
Premises and equipment, net	3,010	3,094
Foreclosed assets	88	95
Accrued interest receivable	1,219	1,277
Other assets	2,790	1,377
<b>Total assets</b>	<b>\$ 283,235</b>	<b>\$ 255,740</b>
<b>Liabilities and Stockholders Equity</b>		
Liabilities:		
Noninterest-bearing demand deposits	\$ 98	\$ 90
Savings, NOW and money-market deposits	41,889	30,668
Time deposits	101,485	84,167
<b>Total deposits</b>	<b>143,472</b>	<b>114,925</b>
Federal Home Loan Bank advances	68,700	68,700
Other borrowings	41,800	41,800
Junior subordinated debenture	5,155	5,155
Advanced payment by borrowers for taxes and insurance	1,562	935
Official checks	805	553
Other liabilities	1,087	907
<b>Total liabilities</b>	<b>262,581</b>	<b>232,975</b>

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### Stockholders' equity:

Common stock, \$.01 par value; 6,000,000 shares authorized, 3,276,842 and 3,120,992 shares issued and outstanding	33	31
Additional paid-in capital	19,046	18,494
Retained earnings	1,578	4,244
Accumulated other comprehensive loss	(3)	(4)
<b>Total stockholders' equity</b>	<b>20,654</b>	<b>22,765</b>
Total liabilities and stockholders' equity	\$ 283,235	\$ 255,740

See Accompanying Notes to Condensed Consolidated Financial Statements.

**Table of Contents****OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Condensed Consolidated Statements of Operations (Unaudited)**

(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(As Restated)		(As Restated)	
<b>Interest income:</b>				
Loans	\$ 2,652	\$ 2,867	\$ 5,072	\$ 5,982
Securities	1,330	1,061	2,577	1,914
Other	3	52	3	109
<b>Total interest income</b>	<b>3,985</b>	<b>3,980</b>	<b>7,652</b>	<b>8,005</b>
<b>Interest expense:</b>				
Deposits	992	1,141	1,968	2,455
Borrowings	1,225	1,178	2,439	2,213
<b>Total interest expense</b>	<b>2,217</b>	<b>2,319</b>	<b>4,407</b>	<b>4,668</b>
<b>Net interest income</b>	<b>1,768</b>	<b>1,661</b>	<b>3,245</b>	<b>3,337</b>
<b>Provision (credit) for loan losses</b>	<b>4,102</b>	<b>(7)</b>	<b>4,507</b>	<b>114</b>
<b>Net interest (expense) income after provision (credit) for loan losses</b>	<b>(2,334)</b>	<b>1,668</b>	<b>(1,262)</b>	<b>3,223</b>
<b>Noninterest income:</b>				
Service charges and fees	(24)	32	6	73
Loan prepayment fees	-	5	-	5
Other	1	1	2	2
<b>Total noninterest income</b>	<b>(23)</b>	<b>38</b>	<b>8</b>	<b>80</b>
<b>Noninterest expenses:</b>				
Salaries and employee benefits	546	556	1,089	1,091
Occupancy and equipment	161	205	317	369
Data processing	42	40	87	83
Professional fees	127	71	219	141
Insurance	162	15	236	28
Stationary and supplies	12	5	19	13
Provision for losses on foreclosed assets	2	90	7	63
Other	69	101	157	204
<b>Total noninterest expenses</b>	<b>1,121</b>	<b>1,083</b>	<b>2,131</b>	<b>1,992</b>



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(Loss) earnings before income taxes (benefit)	(3,478)	623	(3,385)	1,311
Income taxes (benefit)	(1,308)	235	(1,273)	493
Net (loss) earnings	\$ (2,170)	\$ 388	\$ (2,112)	\$ 818
Net (loss) earnings per share:				
Basic	\$ (.66)	\$ .12	\$ (.64)	\$ .25
Diluted	\$ (.66)	\$ .12	\$ (.64)	\$ .24
Dividends per share	\$ -	\$ -	\$ -	\$ -

See Accompanying Notes to Condensed Consolidated Financial Statements.

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**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

**Condensed Consolidated Statements of Stockholders' Equity**

**Six Months Ended June 30, 2009 (As Restated) and 2008**