

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

1ST STATE BANCORP INC
Form SC 13G/A
February 14, 2006

1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 7) (1)

1st STATE BANCORP, INC.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

33645S 10 0

(CUSIP Number)

DECEMBER 31, 2005

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/X/ Rule 13d-1(b)

/X/ Rule 13d-1(c)

/_/ Rule 13d-1(d)

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, SEE the NOTES).

2

CUSIP NO. 33645S 10 0

13G

PAGE 2 OF 13 PAGES

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

1 NAMES OF REPORTING PERSONS:
1st STATE BANCORP, INC. EMPLOYEE STOCK OWNERSHIP PLAN TRUST

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 56-2155141

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) /_/

(b) /_/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
STATE OF NORTH CAROLINA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	295,567
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	295,567

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
295,567

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
10.20% (1)

12 TYPE OF REPORTING PERSON *
EP

(1) Based on 2,898,637 shares of common stock outstanding on December 31, 2005.

3

CUSIP NO. 33645S 10 0 13G PAGE 3 OF 13 PAGES

1 NAMES OF REPORTING PERSONS:
1st STATE BANCORP, INC. DEFERRED COMPENSATION PLAN

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 56-0223240

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) /_/
 (b) /_/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
STATE OF NORTH CAROLINA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	122,488
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	122,488

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
122,488

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*
/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
4.23% (1)

12 TYPE OF REPORTING PERSON *
EP

(1) Based on 2,898,637 shares of common stock outstanding on December 31, 2005.

4

CUSIP NO. 33645S 10 0 13G PAGE 4 OF 13 PAGES

1 NAMES OF REPORTING PERSONS:
JAMES G. McCLURE

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) /_/
 (b) /_/

3 SEC USE ONLY

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

4 CITIZENSHIP OR PLACE OF ORGANIZATION
UNITED STATES OF AMERICA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER	51,426 (1)
	6	SHARED VOTING POWER	127,776 (2)
	7	SOLE DISPOSITIVE POWER	51,426 (1)
	8	SHARED DISPOSITIVE POWER	127,776 (2)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
179,202

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
 /_/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.18% (3)

12 TYPE OF REPORTING PERSON *
IN

- (1) Includes 15,816 shares that may be acquired upon the exercise of options exercisable within 60 days.
- (2) Includes 122,488 shares owned by the 1st State Deferred Compensation Plan, of which the reporting person serves as a trustee, and 5,288 shares owned by the reporting spouse and/or children.
- (3) Assumes that options for 15,816 shares have exercised. Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.

5

CUSIP NO. 33645S 10 0 13G PAGE 5 OF 13 PAGES

1 NAMES OF REPORTING PERSONS:
VIRGIL L. STADLER

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) /_/_/
(b) /_/_/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
UNITED STATES OF AMERICA

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

5	SOLE VOTING POWER	81,540 (1)
6	SHARED VOTING POWER	130,644 (2)
7	SOLE DISPOSITIVE POWER	81,540 (1)
8	SHARED DISPOSITIVE POWER	130,644 (2)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
212,184

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
7.32% (3)

12 TYPE OF REPORTING PERSON *
IN

- (1) Includes 15,816 shares that may be acquired upon the exercise of options exercisable within 60 days.
- (2) Includes 122,488 shares owned by the 1st State Deferred Compensation Plan, of which the reporting person serves as a trustee, and 8,156 shares owned by the reporting person's spouse.
- (3) Assumes that options for 15,816 shares have been exercised. Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.

6

CUSIP NO. 33645S 10 0 13G PAGE 6 OF 13 PAGES

1 NAMES OF REPORTING PERSONS:
RICHARD H. SHIRLEY

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) _/_/
(b) _/_/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
UNITED STATES OF AMERICA

5	SOLE VOTING POWER	55,968 (1)
---	-------------------	------------

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

9	SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6	SHARED VOTING POWER	122,488 (2)
7		7	SOLE DISPOSITIVE POWER	55,968 (1)
8		8	SHARED DISPOSITIVE POWER	122,488 (2)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
178,456

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*
/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.16% (3)

12 TYPE OF REPORTING PERSON *
IN

- (1) Includes 15,816 shares that may be acquired upon the exercise of options exercisable within 60 days.
- (2) Consists of 122,488 shares owned by the 1st Bank Deferred Compensation Plan, of which the reporting person serves as a trustee.
- (3) Assumes that options for 15,816 shares have been exercised. Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.

7

CUSIP NO. 33645S 10 0 13G PAGE 7 OF 13 PAGES

1 NAMES OF REPORTING PERSONS:
T. SCOTT QUAKENBUSH

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

(a) _/_/
(b) _/_/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
UNITED STATES OF AMERICA

5	NUMBER OF SHARES	5	SOLE VOTING POWER	79,755 (1)
6	BENEFICIALLY OWNED BY	6	SHARED VOTING POWER	302,997 (2)

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

EACH REPORTING PERSON WITH	7	SOLE DISPOSITIVE POWER	79,755 (1)
	8	SHARED DISPOSITIVE POWER	302,997 (2)

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 382,752		

10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* / _ /		

11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 13.20% (3)		

12	TYPE OF REPORTING PERSON * IN		

<p>(1) Includes 15,816 shares that may be acquired upon the exercise of options exercisable within 60 days.</p> <p>(2) Includes 295,567 shares owned by the 1st State Inc. Employee Stock Ownership Plan Trust, of which the reporting person serves as a trustee, and 7,430 shares owned the reporting person's spouse.</p> <p>(3) Assumes that options for 15,816 shares been exercised. Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.</p>			
8			

CUSIP NO. 33645S 10 0	13G	PAGE 8 OF 13 PAGES	

1	NAMES OF REPORTING PERSONS: ERNEST A. KOURY, JR. I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)		

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (a) / _ / (b) / _ /		

3	SEC USE ONLY		

4	CITIZENSHIP OR PLACE OF ORGANIZATION UNITED STATES OF AMERICA		

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING	5	SOLE VOTING POWER	1,000
	6	SHARED VOTING POWER	295,567 (1)
	7	SOLE DISPOSITIVE POWER	1,000

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

PERSON WITH -----
 8 SHARED DISPOSITIVE POWER 295,567 (1)

 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 296,567

 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*
 /_/

 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 10.23% (2)

 12 TYPE OF REPORTING PERSON *
 IN

- (1) Consists of 295,567 shares owned by the 1st State Bancorp, Inc. Employee Stock Ownership Plan, of which the reporting person serves as a trustee.
- (2) Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.

9

 CUSIP NO. 33645S 10 0 13G PAGE 9 OF 13 PAGES

 1 NAMES OF REPORTING PERSONS:
 BERNIE C. BEAN
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *
 (a) /_/
 (b) /_/

 3 SEC USE ONLY

 4 CITIZENSHIP OR PLACE OF ORGANIZATION
 UNITED STATES OF AMERICA

	5	SOLE VOTING POWER	38,947 (1)
NUMBER OF			
SHARES			
BENEFICIALLY	6	SHARED VOTING POWER	295,567 (2)
OWNED BY			
EACH			
REPORTING	7	SOLE DISPOSITIVE POWER	38,947 (1)
PERSON			
WITH	8	SHARED DISPOSITIVE POWER	295,567 (2)

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
334,514

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

/_/_/

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
11.54% (3)

12 TYPE OF REPORTING PERSON *
IN

- (1) Includes 15,816 shares that may be acquired upon the exercise of options exercisable within 60 days.
(2) Consists of 295,567 shares owned by the 1st Bancorp, Inc. Employee Stock Ownership Plan Trust, of which the reporting person serves as a trustee.
(3) Assumes that options for 15,816 shares have been exercised. Based on 2,898,637 shares of common stock outstanding as of December 31, 2005.

10

PAGE 10 OF 13 PAGES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

- ITEM 1(a). NAME OF ISSUER.
1st State Bancorp, Inc.
- ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES.
445 S. Main Street
Burlington, North Carolina 27215
- ITEM 2(a). NAME OF PERSON(S) FILING.
1st State Bancorp, Inc. Employee Stock Ownership Plan ("ESOP"); 1st State Bank Deferred Compensation Plan ("Deferred Compensation Plan"); the following individuals who serve as the trustees of the ESOP: T. Scott Quakenbush, Ernest A. Koury, Jr. and Bernie C. Bean; and the following individuals who serve as trustees of the Deferred Compensation Plan: James G. McClure, Virgil L. Stadler and Richard H. Shirley.
- ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE, OR, IF NONE, RESIDENCE.
Same as Item 1(b).
- ITEM 2(c). CITIZENSHIP.
See Row 4 of the second part of the cover page provided for each reporting person.
- ITEM 2(d). TITLE OF CLASS OF SECURITIES.
Common Stock, par value \$.01 per share.
- ITEM 2(e). CUSIP NUMBER: 33645S 10 0
- ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), OR 13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

- (f) /X/ An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(f)

This Schedule 13G also is being filed on behalf of the Deferred Compensation Plan and by each trustee of the ESOP and the Deferred Compensation Plan, filing pursuant to Rule 13d-1(c) and applicable SEC no-action letters.

ITEM 4. OWNERSHIP.

- (a) AMOUNT BENEFICIALLY OWNED: See Row 9 of the second part of the ----- cover page provided for each reporting person.
- (b) PERCENT OF CLASS: See Row 11 of the second part of the cover page ----- provided for each reporting person.

11

PAGE 11 OF 13 PAGES

- (c) NUMBER OF SHARES AS TO WHICH SUCH PERSON HAS: See Rows 5, 6, 7, ----- and 8 of the second part of the cover page provided for each reporting person.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: /_/

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

The ESOP Committee has the power to determine whether dividends on allocated shares that are paid to the ESOP trust are distributed to participants or are used to repay the ESOP loan.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATIONS.

By signing below, each signatory in the capacity of a trustee of the 1st State Bancorp, Inc. Employee Stock Ownership Plan Trust certifies that, to the best of his knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

By signing below, each signatory in the capacity of a trustee of the 1st State Bank Deferred Compensation Plan certifies that, to the best of his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

By signing below, each signatory in his individual capacity certifies that, to the best of his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

12

PAGE 12 OF 13 PAGES

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

1ST STATE BANCORP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN TRUST

By Its Trustees:

/s/ T. Scott Quakenbush ----- T. Scott Quakenbush, as Trustee	February 14, 2006 ----- Date
/s/ Ernest A. Koury ----- Ernest A. Koury, as Trustee	February 14, 2006 ----- Date
/s/ Bernie C. Bean ----- Bernie C. Bean, as Trustee	February 14, 2006 ----- Date

1ST STATE BANK
DEFERRED COMPENSATION PLAN

By Its Trustees:

/s/ Richard H. Shirley ----- Richard H. Shirley, as Trustee	February 14, 2006 ----- Date
/s/ James G. McClure ----- James G. McClure, as Trustee	February 14, 2006 ----- Date
Virgil L. Stadler ----- Virgil L. Stadler, as Trustee	February 14, 2006 ----- Date

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

Richard H. Shirley	February 14, 2006
-----	-----
Richard H. Shirley, as an Individual Stockholder	Date
James G. McClure	February 14, 2006
-----	-----
James G. McClure, as an Individual Stockholder	Date
Virgil L. Stadler	February 14, 2006
-----	-----
Virgil L. Stadler, as an Individual Stockholder	Date

13

PAGE 13 OF 13 PAGES

/s/ T. Scott Quakenbush	February 14, 2006
-----	-----
T. Scott Quakenbush, as an Individual Stockholder	Date
/s/ Ernest A. Koury, Jr.	February 14, 2006
-----	-----
Ernest A. Koury, Jr. as an Individual Stockholder	Date
/s/ Bernie C. Bean	February 14, 2006
-----	-----
Bernie C. Bean, as an Individual Stockholder	Date

14

EXHIBIT 99

AGREEMENT RELATING TO FILING OF
JOINT STATEMENT PURSUANT TO
RULE 13D-1(k) UNDER THE SECURITIES ACT OF 1934

The undersigned agree that Amendment No. 6 to the Statement on Schedule 13G to which this Agreement is attached is filed on behalf of each of them.
Date: February 14, 2006

1ST STATE BANCORP, INC. EMPLOYEE STOCK OWNERSHIP PLAN TRUST

By Its Trustees:

/s/ T. Scott Quakenbush	February 14, 2006
-----	-----
T. Scott Quakenbush, as Trustee	Date
/s/ Ernest A. Koury, Jr.	February 14, 2006
-----	-----
Ernest A. Koury, Jr. as Trustee	Date

Edgar Filing: 1ST STATE BANCORP INC - Form SC 13G/A

/s/ Bernie C. Bean

Bernie C. Bean, as Trustee
February 14, 2006

Date

1ST STATE BANCORP, INC. DEFERRED COMPENSATION PLAN

By Its Trustees:

/s/ James G. McClure

James G. McClure, as Trustee
February 14, 2006

Date

Virgil L. Stadler

Virgil L. Stadler, as Trustee
February 14, 2006

Date

/s/ Richard H. Shirley

Richard H. Shirley, as Trustee
February 14, 2006

Date

/s/ James G. McClure

James G. McClure, as an Individual Stockholder
February 14, 2006

Date

Virgil L. Stadler

Virgil L. Stadler, as an Individual Stockholder
February 14, 2006

Date

/s/ Richard H. Shirley

Richard H. Shirley, as an Individual Stockholder
February 14, 2006

Date

15

/s/ T. Scott Quakenbush

T. Scott Quakenbush, as an Individual Stockholder
February 14, 2006

Date

/s/ Ernest A. Koury, Jr.

Ernest A. Koury, Jr. as an Individual Stockholder
February 14, 2006

Date

/s/ Bernie C. Bean

Bernie C. Bean, as an Individual Stockholder
February 14, 2006

Date