

PINNACLE FINANCIAL PARTNERS INC
Form 11-K
June 22, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

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

For the transition period from _____ to _____

Commission File Number: 000-31225

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
Pinnacle Financial Partners, Inc. 401(k) Plan

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

, INC.

150 3rd Avenue South, Suite 900, Nashville, Tennessee 37201
(Address of principal executive offices) (Zip Code)

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2015 AND 2014

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator of the
Pinnacle Financial Partners, Inc. 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of the Pinnacle Financial Partners, Inc. 401(k) Plan (the "Plan") as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying Schedule H, line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but includes supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ LBMC, PC

Brentwood, Tennessee
June 21, 2016

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2015 AND 2014

	2015	2014
Assets		
Investments, at fair value (note 4)	\$ 129,074,243	\$ 98,288,799
Notes receivable from participants	1,643,323	1,285,439
Total assets	\$ 130,717,566	\$ 99,574,238
Net Assets		
Net assets available for benefits	\$ 130,717,566	\$ 99,574,238

See accompanying notes to financial statements.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 13,159,994	\$ 8,858,754
Interest and dividends	3,548,077	3,132,786
	16,708,071	11,991,540
Contributions:		
Participants	5,394,466	4,306,732
Employer	2,959,846	2,446,384
Participant rollovers	9,328,080	650,179
	17,682,392	7,403,295
Interest on notes receivable from participants	44,021	32,378
Other additions	78,484	44,881
Total additions	34,512,968	19,472,094
Deductions from net assets attributed to:		
Benefits paid to participants	3,333,265	4,079,637
Other deductions	36,375	76,536
Total deductions	3,369,640	4,156,173
Net increase	31,143,328	15,315,921
Net assets available for benefits:		
Beginning of year	99,574,238	84,258,317
End of year	\$ 130,717,566	\$ 99,574,238

See accompanying notes to financial statements.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(1) Plan Description:

The following description of the Pinnacle Financial Partners, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all employees of Pinnacle Bank (the Sponsor) and its subsidiaries who are employed during such plan year and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute up to 50% of pretax annual eligible compensation up to the maximum amount allowed by the Internal Revenue Service, as defined in the Plan. Participants may also make contributions on an after-tax basis (Roth 401k), subject to the same IRC limits when combined with their pretax contributions. Eligible compensation is defined as all income excluding fringe benefit income and income from stock appreciation rights, nonqualified stock options, incentive stock options, restricted stock awards and bonuses except for incentive bonuses, unless the associate elects otherwise. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers mutual funds and Pinnacle Financial Partners, Inc. common stock.

The Sponsor contributes 100% of the first 4% of eligible compensation that a participant contributes to the Plan. Additionally, the Sponsor may elect to make a discretionary contribution to the Plan. Participants who are not employed on the last working day of a Plan year are generally not eligible for the Sponsor's discretionary contribution to the Plan. As of December 31, 2015 and 2014, no discretionary contribution was made to the Plan by the Sponsor. The employer's contributions are invested according to the investment options chosen by the participant.

Participant Accounts: Each participant's account is credited with the participant's contribution and allocations of the Sponsor's contribution and investment earnings or losses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Vesting in participants' and the Sponsor's contributions plus earnings thereon is immediate.

Notes Receivable from Participants: A participant may receive a loan based on the loan program set forth by the Plan. Active participants may borrow up to 50% of the vested portion of their accounts, subject to a \$50,000 maximum. Loans are collateralized by participant accounts. Loans are repaid through payroll deductions over a maximum of five (5) years, unless the loan is for a primary residence, for which an extended term may be obtained. At December 2015, and 2014, notes receivable from participants totaled \$1,643,323 and \$1,285,439, respectively.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(1) Plan Description: (Continued)

Notes Receivable from Participants, (Continued): Current loans bear interest at fixed rates of between 3.25% and 6.00% as of December 31, 2015. Notes receivable are stated at their unpaid principal balance plus accrued unpaid interest.

Cash Equivalents: The Plan considers cash and demand and time deposits with original maturities of three months or less as cash equivalents.

Operating Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in other deductions. Fees incurred by the Plan for the investment management services or recordkeeping are included in net appreciation in fair value of investments, as they are paid through revenue sharing, rather than a direct payment from the Plan.

Payment of Benefits: On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, annual installments, or an annuity. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Other: Plan assets are held in trust by Capital Bank & Trust (the "Trustee").

(2) Summary of Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. For investments, if available, quoted market prices are used to value investments. Many factors are considered in arriving at fair value. Shares of mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Plan. Common stock is valued at quoted market prices which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Notes receivable from participants: Notes receivable from participants are recorded at their unpaid principal plus accrued and unpaid interest balance. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the plan document.

Payment of Benefits: Benefits are recorded when paid.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Recently Adopted Accounting Pronouncements: In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient, which simplifies the required disclosures related to employee benefit plans. Part I eliminates the requirement to measure and disclose the fair value of fully benefit-responsive contracts, including common collective trust assets. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirement to disclose individual investments which comprise 5% or more of total net assets available for benefits, as well as the net appreciation or depreciation of fair values by type. Part II also requires plans to continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Furthermore, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III allows plans to measure investments using values from the end of the calendar month closest to the plan's fiscal year end. The Plan elected to early adopt ASU 2015-12 Part II and has applied the provisions retrospectively. Parts I and III were not applicable to the Plan.

(3) Administration of Plan Assets:

The Plan's assets are held by the Trustee of the Plan. Contributions are held and managed by the Trustee, which invests cash received, interest and dividend income, and makes distributions to participants. Certain administrative functions are performed by officers or employees of the Sponsor. No such officer or employee receives compensation from the Plan.

(4) Investments:

Investments are comprised of the following as of December 31, 2015 and 2014:

	2015	2014
Cash equivalents	\$7,202,151	\$7,991,505
Mutual funds	49,583,219	37,697,925
Pinnacle Financial Partners, Inc. common stock	72,288,873	52,599,369
	\$129,074,243	\$98,288,799

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(5) Related Party Transactions:

The Plan owned 1,407,494 and 1,330,282 shares of Pinnacle Financial Partners, Inc. common stock as of December 31, 2015 and 2014, respectively.

Also, certain Plan investments are shares of mutual funds and cash equivalents managed by American Funds. The platform to administer the Plan is operated and maintained by American Funds and, therefore, the transactions qualify as party-in-interest transactions. The Plan also holds notes receivable from participants which qualify as party-in-interest transactions.

Fees are charged to the participant for loans and distributions. These fees totaled \$76,940 and \$44,876 for the years ended December 31, 2015 and 2014, respectively. These fees are considered customary and reasonable for such services.

(6) Fair Value of Financial Instruments:

Accounting Standards Codification (ASC) 820-10 defines fair value as the exchange price that would be received on the measurement date to sell an asset or the price paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. ASC 820-10 also establishes a three level fair value hierarchy that describes the inputs that are used to measure assets and liabilities as follows:

Level 1

Level 1 asset and liability fair values are based on quoted prices in active markets for identical assets and liabilities. The Plan holds cash equivalents, mutual funds and common stock with total fair value at December 31, 2015 and 2014 of \$129,074,243 and \$98,288,799, respectively, which are measured as Level 1 assets.

Level 2

Level 2 asset and liability fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Plan has no Level 2 assets at December 31, 2015 and 2014.

Level 3

Level 3 assets and liabilities are financial instruments whose value is calculated by the use of pricing models and/or discounted cash flow methodologies, as well as financial instruments for which the determination of fair value requires significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data. The Plan has no Level 3 assets at December 31, 2015 and 2014.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(7) Tax Status:

The "Basic Plan Document" was developed by the Plan's Trustee and submitted to the Internal Revenue Service (Service) for qualifications as a "prototype" plan. In its letter dated March 31, 2008, the Service opined that the form of this prototype plan is acceptable under Internal Revenue Code Section 401(k) for use by employers for the benefit of their employees. Although a determination letter has not been requested specifically for this Plan, the Plan's Trustees believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(8) Plan Termination:

The Sponsor reserves the right to terminate the Plan at any time, subject to the provisions of ERISA. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code. Upon termination of the Plan, the Trustee shall pay all liabilities and expenses of the trust.

(9) Risks and Uncertainties:

The Plan provides for various investment options in several investment securities and instruments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks and values in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

(10) Subsequent Events:

Management has evaluated subsequent events through June 21, 2016, the date the financial statements were available to be issued.

(11) Concentration:

At December 31, 2015 and 2014, approximately 56% and 54%, respectively, of Plan assets were invested in Pinnacle Financial Partners, Inc. common stock. A significant change in the stock price would have a significant effect on the financial statements.

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

SCHEDULE H, LINE 4(I) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2015

(a)	(b)	(c)	(d)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
	Investments:		
*	Pinnacle Financial Partners, Inc. Pinnacle Participant Directed	**	\$72,288,873
	Funds:		
*	American Funds 2010 Target Date Fund R3	**	513,875
*	American Funds 2015 Target Date Fund R3	**	954,766
*	American Funds 2020 Target Date Fund R3	**	2,844,743
*	American Funds 2025 Target Date Fund R3	**	3,197,191
*	American Funds 2030 Target Date Fund R3	**	3,486,676
*	American Funds 2035 Target Date Fund R3	**	2,677,888
*	American Funds 2040 Target Date Fund R3	**	1,037,111
*	American Funds 2045 Target Date Fund R3	**	1,398,279
*	American Funds 2050 Target Date Fund R3	**	469,923
*	American Funds 2055 Target Date Fund R3	**	116,000
*	American Funds 2060 Target Date Fund R3	**	2,783
*	American Funds American Bal Fund R3	**	1,795,751
*	American Funds Capital Income Builder R3	**	2,589,706
*	American Funds Capital World Bond Fund R3	**	682,569
*	American Funds Capital World Growth & Income R3	**	1,984,874
*	American Funds Small Cap World Fund R3	**	1,069,014
*	American Funds Euro Pacific Growth Fund R3	**	3,365,825
*	American Funds Fundamental Investors R3	**	3,156,480
*	American Funds Growth Fund of America R3	**	4,159,421
*		**	190,074

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American Funds High Income Trust R3		
* American Funds Money Market Fund R3	**	7,202,152
* American Funds US Govt Securities FD R3	**	207,554
Federated Max-Cap Index - K	**	899,777
Franklin Income Fund - R	**	2,643,510
Invesco Small Cap Equity Fund – R	**	1,426,791
Janus Forty Fund R	**	2,519,930
PIMCO Total Return Fund - R	**	1,826,182
PIMCO Real Return Fund - R	**	209,373
Victory Established Value Fund - R	**	4,157,152
	**	129,074,243
* Notes receivable from participants	Notes, interest rate of between 3.25% and 6.00% due 2/2016 – 11/2043	1,643,323
Total		\$ 130,717,566

* Party-in-interest to the Plan

** Not required for participant directed plans

PINNACLE FINANCIAL PARTNERS, INC. 401(k) PLAN

EXHIBIT INDEX

Exhibit No. Description

23.1 Consent of Independent Registered Public Accounting Firm

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrator has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PINNACLE FINANCIAL PARTNERS, INC. 401(K) PLAN

/s/ Harold R. Carpenter

Harold R. Carpenter

June 22, 2016 Chief Financial Officer

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