

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10KSB/A

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]  
[amend]

Filing Date: **2005-05-02** | Period of Report: **2004-12-31**  
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### FILER

#### CHESTATEE BANCSHARES INC

CIK: **1111196** | IRS No.: **582535333**  
Type: **10KSB/A** | Act: **34** | File No.: **000-30273** | Film No.: **05791945**  
SIC: **6022** State commercial banks

Mailing Address  
6639 HIGHWAY 53 EAST  
DAWSONVILLE GA 30534

Business Address  
6639 HIGHWAY 53 EAST  
DAWSONVILLE GA 30534  
7062162265

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

FORM 10-KSB/A  
Amendment No. 1

X Annual report pursuant to Section 13 or 15(d) of the Securities Exchange  
--- Act of 1934 for the fiscal year ended December 31, 2004 or

Transition report pursuant to Section 13 or 15(d) of the Securities  
--- Exchange Act of 1934

Commission File Number: 000-30273

-----  
CHESTATEE BANCSHARES, INC.  
-----

(Exact name of small business issuer as specified in its Charter)

Georgia 58-2535333  
-----  
(State or other (IRS Employer  
jurisdiction of Identification  
incorporation or Number)  
organization)

6639 Highway 53 East  
Dawsonville, Georgia 30534 (706) 216-2265  
-----  
(Address of principal (Issuer's telephone  
executive offices) number)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class: -----	Name of Exchange on which registered: -----
None	None

Securities registered under Section 12(g) of the Exchange Act

Title of each class: -----	Name of Exchange on which registered: -----
Common Stock no par value per share	None

Check whether the issuer (1) has filed all reports to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 X No  
---

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

The issuer's revenues for the most recent fiscal year were \$ 13,940,331.

There were 3,123,000 outstanding shares of common stock, no par value per share, as of December 31, 2004. The aggregate market value of the voting stock of the Registrant held by non-affiliates of the Registrant, as of December 31, 2004, was \$20,921,720 based on the last sales price on such date.

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-KSB amends in its entirety Item 10, Executive Compensation, Part III to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2004, filed with the Securities and Exchange Commission on March 30, 2005. The purpose of the Amendment is to correct a typographical error for the expiration date in the tabular data provided for the Table entitled OPTIONS/SAR GRANTS IN LAST FISCAL YEAR. This change does not reflect any subsequent information or events. There are no changes to the Table entitled SUMMARY COMPENSATION TABLE or the footnotes thereto.

## ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth the cash and cash equivalent forms of compensation received by the chief executive officer of the Company and its named executive officers in the fiscal year ended December 31, 2004, and all cash and cash equivalent forms of compensation received by the chief executive officer and all named executive officers of the Company as a group.

<TABLE>  
<CAPTION>

SUMMARY COMPENSATION TABLE							LONG-TERM COMPENSATION		
(a) NAME AND PRINCIPAL POSITION	(b) YEAR	(c) SALARY	(d) BONUS	(e) OTHER ANNUAL COMPENSATION (4)	(f) RESTRICTED STOCK AWARDS	(g) OPTION SARs	AWARDS (h) LTIP PAYOUTS	PAYOUTS (i) OTHER COMPENSATION	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
J. Philip Hester, Sr. CEO, President, Director	2004	\$ 172,000	\$ 6,913	-	-	50,000	-	\$ 112,778 (1)	
	2003	\$ 163,451	\$ 6,585	-	-	-	-	\$ 79,826 (2)	
	2002	\$ 150,525	\$ 6,272	-	-	-	-	\$ 45,249 (3)	
James M. Curry Executive VP	2004	\$ 113,750	\$ 4,594	-	-	30,000	-	\$ 65,854 (1)	
	2003	\$ 108,000	\$ 4,375	-	-	-	-	\$ 4,629 (2)	
	2002	\$ 100,000	\$ 4,167	-	-	15,000	-	\$ 15,417	
Deborah F. McLeod CFO, Senior VP	2004	\$ 113,750	\$ 4,594	-	-	30,000	-	\$ 60,374 (1)	
	2003	\$ 108,000	\$ 4,375	-	-	-	-	\$ 0	
	2002	\$ 100,000	\$ 4,167	-	-	10,000	-	\$ 10,406	

</TABLE>

(1) The Company has accrued a deferred compensation expense under the defined contribution plan totaling \$29,020 and contributed \$4,688 to its 401(k) plan for eligible employees for Mr. Hester and accrued a bonus totaling \$79,070 during the fiscal year ended December 31, 2004. The Company accrued a deferred compensation under a defined contribution plan totaling \$5,736, contributed \$3,308 to its 401(k) plan and accrued a bonus of \$56,810 for Mr. Curry. The Company accrued a bonus of \$56,810 and contributed \$3,564 to its 401(k) plan for Ms. McLeod.

(2) The Company has accrued a deferred compensation expense under the defined contribution plan totaling \$75,085 and contributed \$4,741 to its 401(k) plan for eligible employees for Mr. Hester during the fiscal year ended December 31, 2003. The Company accrued a deferred compensation under a defined contribution plan totaling \$4,629 for Mr. Curry.

(3) The Company has accrued a deferred compensation expense under the defined contribution plan totaling \$12,960, accrued a bonus totaling \$27,847, and an automobile allowance totaling \$2,938 and contributed to its 401(k) plan for eligible employees \$4,442 for Mr. Hester during the fiscal year ended December 31, 2002. The Company has accrued a bonus totaling \$15,417 and \$10,406 for Mr. Curry and Ms. McLeod, respectively.

(4) Perquisites totaling less than the smaller of \$50,000 or 10% of the total salary and bonus for any of the executive officers has been omitted.

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The following table sets forth the individual grants of stock options made during the last fiscal year to each named executive officer.

<TABLE>  
<CAPTION>

OPTIONS/SAR GRANTS IN LAST FISCAL YEAR				
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARs GRANTED	PERCENT OF TOTAL OPTIONS/SARs GRANTED IN FISCAL YEAR	EXERCISE PRICE	EXPIRATION DATE
<S>	<C>	<C>	<C>	<C>
James M. Curry	30,000	24%	\$10.00	8/17/14
J. Philip Hester, Sr.	50,000	40%	\$10.00	8/17/14
Deborah F. McLeod	30,000	24%	\$10.00	8/17/14

</TABLE>

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## ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Index to Exhibits

Number	Description	Page
3.1	Articles of Incorporation	(1)
3.2	Bylaws	(1)
10.2	Data Processing Contract	(2)
10.3	International Services Agreement	(2)
10.4	Employment Agreement	(2)
10.5	Lease Agreement	(1)
10.6	2000 Non-Employee Stock Option Plan	(2)
10.7	2000 Employee Stock Option Plan	(2)
10.8	Form of Non-Employee Stock Option Agreement	(2)
10.9	Employee Stock Option Agreement	(2)
10.10	Broker's Payee Contract	(4)
10.11	Securities Brokerage Agreement	(4)
10.12	Career Agency Banking Contract	(4)
10.13	Subscription Agreement	(4)
10.14	Operating Agreement	(4)
10.15	Lease Agreement	(4)
10.16	Lease Agreement	(4)
11	Statement re: Computation of Per Share Earnings	(6)
14	Code of Ethics	(5)
21	Subsidiaries of the Registrant	(3)
23	Consent of Mauldin & Jenkins, LLC	+
24	Power of Attorney	(6)
31	Rules 13a-14(a) and 15d-14(a) Certifications	+
32	Certifications Pursuant to 18 U.S.C. Section 1350	+

- (1) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2000.
- (2) Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on October 16, 2001.
- (3) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed May 14, 2001.
- (4) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2002.
- (5) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2004.
- (6) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 30, 2005.

+ Filed with this Form 10-KSB/A.

Description  
of Exhibits

3.1	Articles of Incorporation of Chestatee Bancshares, Inc. (1)
3.2	Bylaws of Chestatee Bancshares, Inc. (1)
10.2	Data Processing Contract between Chestatee State Bank and its successors, dated January 20, 1998 (2)
10.3	International Services Agreement between Chestatee State Bank and The Bankers Bank, dated April, 27, 1998 (2)
10.4	Amended and Restated Employment Agreement dated September 17, 2001 between J. Philip Hester, Sr. and Chestatee Bancshares and Chestatee State Bank (2)
10.5	Lease Agreement between BDR Properties, LLC and Chestatee State Bank, dated November 1, 2000 (1)
10.6	2000 Non-Employee Stock Option Plan (2)
10.7	2000 Employee Stock Option Plan (2)
10.8	Form of Non-Employee Stock Option Agreement (2)
10.9	Employee Stock Option Agreement between J. Philip Hester, Sr. and Chestatee Bancshares and Chestatee State Bank(2)
10.10	Broker's Payee Contract between MML Insurance Agency, Inc. and Chestatee Financial, Inc. (4)
10.11	Securities Brokerage Agreement between Chestatee Financial, Inc. and Agreement with MML Investors Services, Inc. (4)
10.12	Career Agency System Banking Contract between Chestatee Bancshares, Inc., Stephen Squires, and the Massachusetts Mutual Life Insurance Company (4)
10.13	Subscription Agreement between Chestatee Residential Mortgage, Inc. and Guaranty Mortgage Services, LLC, Guaranty First Mortgage, LLC and Shelter Mortgage Corporation (4)
10.14	Operating Agreement between Chestatee Residential Mortgage, Inc. and Guaranty Mortgage Services, LC, Guaranty First Mortgage, LLC and Shelter Mortgage Corporation (4)
10.15	Lease between Chestatee State Bank and Norman Adams dated July 12, 2001 (4)
10.16	Lease Agreement between Chestatee State Bank and CSB Partners, LLP dated January 1, 2001 (4)

- (1) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2000.
- (2) Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on October 16, 2001.
- (3) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed May 14, 2001.
- (4) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2002. (5) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 29, 2004.

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- 11 Statement re: Computation of Per Share Earnings (6)
- 14 Code of Ethics for Principal Officers(5)
- 21 Subsidiaries of the Registrant(3)
- 23 Consent of Mauldin & Jenkins, LLC +
- 24 Power of Attorney dated March 30, 2004 executed by officers and a majority of directors of Chestatee State Bank (6)
- 31.1 Rules 13a-14(a) and 15d-14(a) Certifications for CEO +
- 31.2 Rules 13a-14(a) and 15d-14(a) Certifications for CFO +
- 32 Certifications of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 +

- (6) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed March 30, 2005.

+ Filed with this Form 10-KSB/A.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHESTATEE BANCSHARES, INC.

BY: /s/ J. Philip Hester, Sr.

-----  
 J. Philip Hester, Sr., Chief Executive Officer,  
 President and Director

DATE: April 29, 2005

BY: /s/ Deborah F. McLeod

-----  
 Deborah F. McLeod, Chief Financial Officer  
 and Senior Vice President

DATE: April 29, 2005

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ J. Philip Hester, Sr.

-----  
 J. Philip Hester, Sr.  
 Chief Executive Officer, President and  
 Director (principal executive officer)  
 April 29, 2005

-----  
 Andrew M. Head  
 Director  
 April 29, 2005

\*

-----  
 Ralph Millard Bowen  
 Director  
 April 29, 2005

-----  
 Bruce T. Howard  
 Director  
 April 29, 2005

\*

-----  
 Marcus C. Byrd, Jr.  
 Director  
 April 29, 2005

-----  
 David E. Johnson  
 Chairman of the Board of Directors  
 April 29, 2005

\*

-----  
Glennon C. Grogan  
Director  
April 29, 2005

-----  
William A. McRae  
Director  
April 29, 2005

\*

-----  
James H. Grogan  
Secretary and Director  
April 29, 2005

-----  
Kim M. Mills  
Director  
April 29, 2005

/s/ Deborah F. McLeod

-----  
Deborah F. McLeod  
Chief Financial Officer (principal  
accounting officer) and Senior Vice  
President  
April 29, 2005

\*

-----  
Russell M. Wallace  
Director  
April 29, 2005

\* /s/ J. Philip Hester, Sr.

-----  
J. Philip Hester, Sr.  
Attorney-in-Fact (pursuant to Power of Attorney executed March 30, 2005)  
April 29, 2005

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITOR

Consent of Independent Auditor

We have issued our report dated January 21, 2005, accompanying the financial statements of Chestatee Bancshares, Inc. as of and for the year ending December 31, 2004, contained in the Form 10-KSB for the year ended December 31, 2004. We consent to the use of the aforementioned report in the Form 10-KSB/A for the year ended December 31, 2004.

/s/ Mauldin & Jenkins, LLC

Atlanta, Georgia  
April 29, 2005

EXHIBIT 31.1

RULES 13a-14(a) AND 15d-14(a) CERTIFICATION

CERTIFICATIONS

(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002,  
15 U.S.C. Section 78m)

I, J. Philip Hester, Sr., President and Chief Executive Officer of Chestatee Bancshares, Inc., certify that:

1. I have reviewed this Amendment No.1 to the annual report on Form 10-KSB/A of Chestatee Bancshares, Inc. for the year ended December 31, 2004.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within that entity, particularly during the period in which this annual report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing of this annual report (the "Evaluation Date"); and

c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and



6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2005

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By: /s/ J. Philip Hester, Sr.

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J. Philip Hester, Sr., President and CEO  
(Principal Executive Officer)

EXHIBIT 31.2

RULES 13a-14(a) AND 15d-14(a) CERTIFICATION

CERTIFICATIONS (cont'd)

(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002,  
15 U.S.C. Section 78m)

I, Deborah F. McLeod, Chief Financial Officer and Treasurer of Chestatee Bancshares, Inc., certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-KSB/A of Chestatee Bancshares, Inc. for the period ended December 31, 2004.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within that entity, particularly during the period in which this annual report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing of this annual report (the "Evaluation Date"); and

c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2005

-----

BY: /s/ Deborah F. McLeod

-----

Deborah F. McLeod, CFO and Treasurer  
(Principal Financial and Accounting Officer)

(Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002,  
18 U.S.C. Section 1350)

The undersigned hereby certify that:

- (i) This Form 10-KSB/A Amendment No.1 to the Annual Report, for the period ended December 31, 2003, as filed by Chestatee Bancshares, Inc. (the "Company") with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (ii) the information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2005  
-----

BY: /s/ J. Philip Hester, Sr.  
-----

J. Philip Hester, Sr., President and C.E.O.  
(Principal Executive Officer)

Date: April 29, 2005  
-----

BY: /s/ Deborah F. McLeod  
-----

Deborah F. McLeod, C.F.O. and Treasurer  
(Principal Financial and Accounting Officer)