

WILLIAMS TIMOTHY V
Form 4
November 19, 2012

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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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 *
WILLIAMS TIMOTHY V

(Last) (First) (Middle)
3100 MAIN STREET, SUITE 900
(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PROS Holdings, Inc. [PRO]

3. Date of Earliest Transaction
(Month/Day/Year)
11/15/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

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

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		
				Code	V	Amount	(D)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Underlying Securities (Instr. 3 and 4)
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Derivative Security			(A) or Disposed of (D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			(A)	(D)				
Restricted Stock Units	(1)	11/15/2012	A	7,151	(2)	(2)	Common Stock	7,151

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILLIAMS TIMOTHY V 3100 MAIN STREET SUITE 900 HOUSTON, TX 77002		X		

Signatures

/s/ Damian Olthoff,
Attorney-in-fact
11/19/2012

**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) Each restricted stock unit represents the contingent right to receive one share of PROS Holdings, Inc. common stock.
- (2) The restricted stock units fully vest on January 1, 2014.
- (3) Includes 6,000 restricted stock units awarded on November 17, 2011 which fully vest on January 1, 2013.

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.

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Charge-offs:

Real estate loans:

Residential, one- to four-family

-

(100)

Construction

-

-

Commercial real estate

-

-

Home equity

-

-

Other loans:

Commercial

(30)

(1)

Consumer

Explanation of Responses:

(17)

(1)

Total charge-offs

(47)

(102)

Recoveries:

Real estate loans:

Residential, one- to four-family

8

1

Construction

-

-

Commercial real estate

5

8

Home equity

4

Explanation of Responses:

-

Other loans:

Commercial

2

-

Consumer

-

1

Total recoveries

Explanation of Responses:

19

10

Net charge-offs

(28)

(92)

Balance at end of period

\$

1,823

\$

1,324

Average loans outstanding

\$

271,063

\$

269,475

Allowance for loan losses as a percent of total net loans

0.68%

Explanation of Responses:

0.50%

Allowance for loan losses as a percent of non-performing loans

61.82%

64.30%

Ratio of net charge-offs to average loans outstanding⁽¹⁾

0.02%

0.07%

⁽¹⁾ Annualized

Liquidity and Capital Resources

Liquidity describes our ability to meet the financial obligations that arise during the ordinary course of business. Liquidity is primarily needed to meet the lending and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds consist of deposits, scheduled amortization and prepayments of loans and mortgage-backed and asset-backed securities, maturities and sales of other investments, interest earning deposits at other financial institutions and funds provided from operations. We have a written agreement with the Federal Home Loan Bank of New York, which allows us to borrow up to \$120.2 million as of June 30, 2013, and is collateralized by a pledge of our mortgage loans. At June 30, 2013, we had outstanding advances under this agreement of \$22.7 million. We have a written agreement with the Federal Reserve Bank discount window for overnight borrowings which is collateralized by a pledge of our securities, and allows us to borrow up to the value of the securities pledged, which was equal to a book value of \$10.0 million and a fair value of \$10.6 million as of June 30, 2013. There were no balances outstanding with the Federal Reserve Bank discount window at June 30, 2013. We have also established a line of credit with M&T Bank for \$7.0 million, of which \$5.0 million is unsecured and the remaining \$2.0 million is required to be secured by a pledge of our securities when a draw is made. There were no borrowings on this line as of June 30, 2013.

Historically, loan repayments and maturing investment securities were a relatively predictable source of funds. However, in light of the current economic environment, there are now more risks related to loan repayments and the valuation and maturity of investment securities. In addition, deposit flows, calls of investment securities, and prepayments of loans and mortgage-backed securities are strongly influenced by interest rates, general and local economic conditions, and competition in the marketplace. These factors and the current economic environment reduce the predictability of the timing of these sources of funds.

Our primary investing activities include the origination of loans and the purchase of investment securities. For the six months ended June 30, 2013, we originated loans of approximately \$23.2 million in comparison to approximately \$19.8 million of loans originated during the six months ended June 30, 2012. Purchases of investment securities totaled \$17.1 million in the six months ended June 30, 2013 and \$22.5 million in the six months ended June 30, 2012.

At June 30, 2013, we had loan commitments to borrowers of approximately \$10.0 million and overdraft lines of protection and unused home equity lines of credit of approximately \$25.4 million. Total deposits were \$393.1 million at June 30, 2013, as compared to \$384.8 million at June 30, 2012. Time deposit accounts scheduled to mature within one year were \$74.9 million at June 30, 2013. Based on our deposit retention experience, current pricing strategy, and competitive pricing policies, we anticipate that a significant portion of these time deposits will remain with us following their maturity.

In recent years, macro-economic conditions negatively impacted liquidity and credit quality across the financial markets as the U.S. economy experienced an economic downturn. Although recent reports have indicated improvements in the macro-economic conditions, the economic downturn has had far-reaching effects. However, our financial condition, credit quality and liquidity position remain strong.

Explanation of Responses:

We are committed to maintaining a strong liquidity position; therefore, we monitor our liquidity position on a daily basis. We anticipate that we will have sufficient funds to meet our current funding commitments. The marginal cost of new funding, however, whether from deposits or borrowings from the Federal Home Loan Bank, will be carefully considered as we monitor our liquidity needs. Therefore, in order to minimize our cost of funds, we may consider additional borrowings from the Federal Home Loan Bank in the future.

We do not anticipate any material capital expenditures during the remainder of 2013. We do not have any balloon or other payments due on any long-term obligations or any off-balance sheet items other than loan commitments as described in Note 6 in the Notes to our Consolidated Financial Statements and the borrowing agreements noted above.

Off-Balance Sheet Arrangements

Other than loan commitments, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors. Refer to Note 6 in the Notes to our Consolidated Financial Statements for a summary of commitments outstanding as of June 30, 2013.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable as the Company is a smaller reporting company.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

PART II

Item 1A. Risk Factors.

There have been no material changes in the Company's risk factors from those disclosed in its Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table reports information regarding repurchases by Lake Shore Bancorp of its common stock in each month of the quarter ended June 30, 2013:

COMPANY PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs ⁽¹⁾
April 1 through April 30, 2013	-	\$ -	-	71,510
May 1 through May 31, 2013	-	-	-	71,510
June 1 through June 30, 2013	-	-	-	71,510
Total	-	\$ -	-	71,510

⁽¹⁾ On November 17, 2010, our Board of Directors approved a new stock repurchase plan pursuant to which we can repurchase up to 116,510 shares of our outstanding common stock. This amount represented 5% of our outstanding stock not owned by the MHC as of November 23, 2010. The repurchase plan does not have an expiration date and superseded all of the prior stock repurchase programs.

Item 6. Exhibits

31.1 Certification by
the Chief
Executive
Officer Pursuant
to Section 302 of
the
Sarbanes-Oxley
Act of 2002*

31.2 Certification by
the Chief
Financial Officer
Pursuant to
Section 302 of
the Sarbanes-
Oxley Act of
2002*

32.1 Certification by
the Chief
Executive
Officer Pursuant
to 18 U.S.C.
Section 1350, as
Adopted
Pursuant to
Section 906 of
the
Sarbanes-Oxley
Act of 2002*

32.2 Certification by
the Chief
Financial Officer
Pursuant to 18
U.S.C. Section
1350, as
Adopted
Pursuant to
Section 906 of
the
Sarbanes-Oxley
Act of 2002*

101.INS XBRL Instance
Document¹

101.SCH

	XBRL
	Taxonomy
	Extension
	Schema
	Document ¹
101.CAL	XBRL
	Taxonomy
	Calculation
	Linkbase
	Document ¹
101.DEF	XBRL
	Taxonomy
	Extension
	Definition
	Linkbase
	Document ¹
101.LAB	XBRL
	Taxonomy Label
	Linkbase
	Document ¹
101.PRE	XBRL
	Taxonomy
	Presentation
	Linkbase
	Document ¹

* Filed herewith.

¹ As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

SIGNATURES

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

LAKE SHORE BANCORP, INC.
(Registrant)

August 13, 2013 By: /s/ Daniel P. Reininga
Daniel P. Reininga
President and Chief Executive Officer
(Principal Executive Officer)

August 13, 2013 By: /s/ Rachel A. Foley
Rachel A. Foley
Chief Financial Officer
(Principal Financial and Accounting Officer)