

SUMMIT FINANCIAL GROUP INC
Form S-3
October 24, 2014

As filed with the Securities and Exchange Commission on October 24, 2014
Registration No. 333-

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Summit Financial Group, Inc.
(Exact Name of Registrant as Specified in its Charter)
West Virginia
(State or Other Jurisdiction of Incorporation or
Organization)

55-0672148
(I.R.S. Employer Identification Number)

300 North Main Street
Moorefield, West Virginia 26836
(304) 530-1000
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Robert S. Tissue
Summit Financial Group, Inc.
300 North Main Street
Moorefield, West Virginia 26836
(304) 530-1000
(Name, Address, Including Zip Code, and Telephone
Number, Including Area Code, of Agent for Service)

Copy to:
Sandra M. Murphy, Esq.
Bowles Rice LLP
600 Quarrier Street
Charleston, West Virginia 25301
304 347-1131

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this
Registration Statement, as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment
plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to
Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act,
please check the following box and list the Securities Act registration statement number of the earlier effective

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registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller Reporting Company)

Smaller Reporting Company

CALCULATION OF REGISTRATION FEE(1)

Title of each class of securities to be registered(2)	Amount to be registered(3)(4)	Proposed maximum offering price per unit(3)(5)	Proposed maximum aggregate offering price(3)(6)	Amount of registration fee(1)(3)
Common Stock, \$2.50 par value per share				
Preferred Stock, \$1.00 par value per share				
Debt Securities				
Rights				
Warrants				
Depository Shares(7)				
Units(8)				
Total	\$15,000,000(2)		\$15,000,000	\$1,274.60(9)

(1) Calculated pursuant to Rule 457(o) promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Pursuant to Rule 457(o) and General Instruction II(D) of Form S-3 under the Securities Act, the table above omits certain information

(2) These offered securities, each of which are described further in the accompanying prospectus, may be sold separately, together or as units with other offered securities, including issuances upon the conversion, exchange or exercise of other offered securities.

(3) In accordance with General Instruction II(D) to Form S-3 under the Securities Act, information as to each class of securities to be registered is not specified.

(4) The registrant is registering hereunder an indeterminate number or amount of common stock, preferred stock, debt securities, rights, warrants, depository shares, and units, as it may from time to time issue at indeterminate prices, in U.S. Dollars or the equivalent thereof denominated in foreign currencies or units of two or more foreign currencies or composite currencies. The securities registered hereunder also include (i) such additional indeterminate number or amount of securities as may be issued upon the conversion, exchange or exercise of other offered securities to the extent no separate consideration is received therefor and (ii) such additional indeterminate number of shares of stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions. The proposed maximum offering price per class of security will be determined from time to time by the registrant in connection with, and at the time of, the issuance by the registrant of the securities registered hereunder. In no event will the aggregate initial offering price of all securities issued pursuant to this registration statement exceed \$15,000,000 (subject to Note 9 below).

(5) The proposed maximum offering price per class of security will be determined from time to time by the registrant in connection with, and at the time of, the issuance by the registrant of the securities registered hereunder.

(6) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act.

(7) Each depository share will be issued under a deposit agreement, will represent a fractional interest in debt securities or shares of common or preferred stock, and will be evidenced by a depository receipt.

(8) Each unit will be issued under a unit agreement or indenture and will represent an interest in two or more debt or equity securities, which may or may not be separable from one another.

(9) Pursuant to Rule 457(p) promulgated under the Securities Act, (i) this registration statement includes \$4,031,000 of unsold securities registered pursuant to the registrant's Registration Statement on Form S-3 (File No. 333-166662) initially filed with the Securities and Exchange Commission on May 7, 2010, and declared effective on July 22, 2011 (the "2011 Registration Statement") and (ii) the registration fee of \$713 paid by the registrant with respect to such unsold securities in connection with the filing of the 2010 Registration Statement will continue to be applied to such unsold securities. As a result, the amount of the registration fee paid in connection with this registration statement is \$1,274.60, calculated based on the additional \$10,969,000 of securities registered pursuant to this registration

statement. Notwithstanding the foregoing, the Proposed Maximum Aggregate Offering Price of \$15,000,000 shall apply to all securities registered hereunder, including any newly-registered securities.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR IS IT AN INVITATION FOR OFFERS TO BUY THESE SECURITIES IN ANY STATE OR JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION DATED OCTOBER 24, 2014

PROSPECTUS

Up to \$15,000,000

Common Stock

Preferred Stock

Debt Securities

Rights

Warrants

Depository Shares

Units

We may from time to time offer and sell in one or more offerings, together or separately, any combination of the securities described in this prospectus. The aggregate initial offering price of the securities that we offer will not exceed \$15,000,000. The securities described in this prospectus may be convertible into or exercisable for other securities. The securities offered by this prospectus may be sold separately, together or in combination with any other securities offered hereby.

We may offer and sell these securities on a delayed or continuous basis to or through one or more agents, underwriters or dealers as designated from time to time, directly to one or more purchasers, through a combination of these methods or any other method as provided in the applicable prospectus supplement. If any agents, dealers or underwriters are involved in the sale of any securities, the applicable prospectus supplement will set forth any applicable commissions or discounts.

This prospectus provides a general description of the securities we may offer. At the time we offer securities, we will specify in an accompanying prospectus supplement the amount, price and specific terms of any securities offered. The prospectus supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus, any applicable prospectus supplement and the documents incorporated by reference before you invest in our securities. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution." The price to the public and the net proceeds we expect to receive from any such sale will also be set forth in a related prospectus supplement.

Our common stock is listed on the Nasdaq Capital Market under the trading symbol "SMMF."

Investing in our securities involves risks. Before buying our securities, you should carefully consider the risk factors discussed in the section entitled “Risk Factors” on page 8 of this prospectus and in the sections entitled “Risk Factors” in our most recent Annual Report on Form 10–K and in any quarterly report on Form 10–Q, as well as in any prospectus supplements relating to specific offerings.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

As of October 22, 2014, the aggregate market value of our outstanding voting and non-voting common equity held by non-affiliates is \$58,646,000. We have not offered any securities pursuant to General Instruction I.B.6. to Form S-3 during the prior twelve (12) calendar month period ending on, and including October 24, 2014.

The date of this prospectus is October 24, 2014

You should rely solely on the information contained in or incorporated by reference in this prospectus, in any accompanying prospectus supplement or in any free writing prospectus filed by us with the Securities or Exchange Commission, or SEC. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in or incorporated by reference in this prospectus or in any accompanying prospectus supplement is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of operations or prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration or continuous offering process. By using a shelf registration statement, we may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings having an initial aggregate offering price of up to \$15,000,000.

We may offer the following securities from time to time:

- common stock;
- preferred stock;
- debt securities;
- rights;
- warrants;
- depositary shares; and
- units.

We also may issue common stock upon conversion or exchange of any of the securities listed above.

This prospectus provides you with a general description of each of the securities we may offer. Each time we offer and sell any of these securities, we will provide a prospectus supplement that contains specific information about the terms of that offering. The prospectus supplement also may add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and each prospectus supplement, you should rely on the information in that prospectus supplement. Before purchasing any of our securities, you should carefully read both this prospectus and each applicable prospectus supplement together with the additional information described under the headings “Where You Can Find More Information” and “Incorporation of Certain Information by Reference.”

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities that may be offered under this prospectus. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Because these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and exhibits may be obtained and read at the SEC Internet website (www.sec.gov) or at the SEC office mentioned under the heading “Where You Can Find More Information.” You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any applicable prospectus supplement may be used only where it is legal to sell these securities, and we will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the SEC and have incorporated by reference, is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and together with our agents, to reject, in whole or in part, any of those offers.

The prospectus supplement will contain the names of the underwriters, dealers, or agents, if any, together with the terms of offering, the compensation of those underwriters, dealers, or agents, and the net proceeds to us. Any underwriters, dealers, or agents participating in the offering may be deemed “underwriters” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”).

In this prospectus, we refer to common stock, preferred stock, debt securities, rights, warrants, depositary shares and units collectively as “securities.” The terms “we,” “us,” “our” and “Summit” refer to Summit Financial Group, Inc., and our consolidated subsidiaries, unless otherwise stated or the context otherwise requires.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy, at prescribed rates, any documents we have filed with the SEC at its Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We also file these documents with the SEC electronically. You can access the electronic versions of these filings on the SEC’s Internet website found at <http://www.sec.gov> and our website found at www.summitfgi.com (the other information contained in, or that can be accessed through, our website is not a part of this prospectus or any prospectus supplement).

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to “incorporate by reference” into this prospectus much of the information that we file with the SEC. This means that we can disclose important information to you by referring you to another document without restating the information in this document, except for any information superseded by information that is included directly in this prospectus or a prospectus supplement, or is incorporated by reference subsequent to the date of this document. Any information incorporated by reference into this prospectus is considered to be part of this prospectus from the date we file that document. Any information filed by us with the SEC after the date of this prospectus will automatically update and, where applicable, supersede any information contained in this prospectus or previously incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information that we previously filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

• Our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 7, 2014;

• Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed with the SEC on May 12, 2014 and for the quarter ended June 30, 2014, filed with the SEC on August 8, 2014;

• Our Current Reports on Form 8-K filed with the SEC on January 29, 2014, February 25, 2014, April 30, 2014, May 16, 2014, July 30, 2014 and August 25, 2014;

• Our Proxy Statement on Schedule 14A filed with the SEC on April 10, 2014; and

• The description of the common stock set forth in our Registration Statement on Form 8-A, filed March 1, 1988, and any amendment or report filed for the purpose of updating such description;

These documents contain important information about our business and our financial performance.

We also incorporate by reference any future filings we make with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended or the Exchange Act, on or after the date of the filing of the registration statement and prior to the termination of the offering (except for information furnished to the SEC that is not deemed to be “filed” for purposes of the Securities Exchange Act). Our future filings with the SEC will automatically update and supersede any inconsistent information in this prospectus or in any previously-filed prospectus supplement.

We will provide to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, a copy of any or all of the information or documents that we have incorporated by reference into this prospectus. We will provide this information upon written or oral request at no cost to the requester. You may request this information by contacting our corporate headquarters at the following address and telephone number:

Teresa D. Ely

Director of Shareholder Relations

Summit Financial Group, Inc.

P. O. Box 179

300 North Main Street

Moorefield, West Virginia 26836

Phone: (304) 530-0526

E-mail: tely@summitfgi.com

This prospectus and the incorporated documents may contain summary descriptions of certain agreements that we have filed as exhibits to various SEC filings, as well as certain agreements that we will enter into in connection with the offering of the securities covered by this prospectus. These summary descriptions do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements to which they relate. Copies of the definitive agreements will be made available without charge to you by making a written or oral request to us.

You should not rely on or assume the accuracy of any representation or warranty in any agreement that we have filed or incorporated by reference as an exhibit to this prospectus because such representation or warranty may be subject to exceptions and qualifications contained in separate disclosure schedules, may have been included in such agreement for the purpose of allocating risk between the parties to the particular transaction, may apply standards of materiality in a manner different from what may be viewed as material to you or other investors, and may no longer continue to be true as of any given date.

failure to maintain our status as a financial holding company;
adequacy of our allowance for loan and lease losses;
credit quality and the effect of credit quality on our provision for credit losses and allowance for loan losses;
failure to manage our future growth or successfully integrate acquisitions;
volatility in financial markets and the price of our common stock;
competition in our primary market areas;
demographic changes in our primary market areas;
significant government regulation legislation and potential changes thereto; and
other economic, competitive, governmental, regulatory, geopolitical, and technological factors affecting the companies' operations, pricing, and services.

These and other uncertainties related to our business are described in greater detail in Item 1A of our most recently-filed Annual Report on Form 10-K, incorporated by reference into this prospectus, as updated by quarterly and other reports or documents that we file with the SEC after the date of such annual report. See also "Risk Factors" herein and in any accompanying prospectus supplement.

The cautionary statements in this prospectus, any accompanying prospectus supplement and any documents incorporated by reference herein also identify important factors and possible events that involve risk and uncertainties that could cause our actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements speak only as of the date on which the statements were made. Except for meeting our ongoing obligations under federal securities law, we do not intend, and undertake no obligation, to update or revise any forward-looking statements contained in this prospectus, whether as a result of differences in actual results, changes in assumptions or changes in other factors affecting such statements.

SUMMIT FINANCIAL GROUP, INC.

General

We are a \$1.39 billion financial holding company incorporated under the laws of West Virginia and headquartered in Moorefield, West Virginia. Through our community bank subsidiary, Summit Community Bank, we provide commercial and retail banking services at our 15 full service offices, nine of which are located in the Eastern Panhandle and South Central regions of West Virginia and six of which are located in the Northern region of Virginia. We also operate Summit Insurance Services, LLC in Moorefield, West Virginia and Leesburg, Virginia. We provide a wide range of community banking services, including demand, savings and time deposits; commercial, real estate and consumer loans; letters of credit; and cash management services. The deposits of Summit Community Bank are insured by the Federal Deposit Insurance Corporation up to applicable limits thereunder.

In order to compete with other financial service providers, we principally rely upon personal relationships established by our officers, directors and employees with our customers, and specialized services tailored to meet our customers' needs. We and Summit Community Bank have maintained a strong community orientation by, among other things, supporting the active participation of staff members in local charitable, civic, school, religious and community development activities. We also have a marketing program that primarily utilizes local radio and newspapers. Banking, like most industries, is becoming more dependent on technology as a means of marketing to customers, including the Internet, which we also utilize. This approach, coupled with continuity of service by the same staff members, enables Summit Community Bank to develop long-term customer relationships, maintain high quality service and respond quickly to customer needs. We believe that our emphasis on local relationship banking, together with a prudent approach to lending, are important factors in our success and growth.

Our primary lending focus is providing commercial loans to local businesses with annual sales ranging from \$300,000 to \$30 million and providing owner-occupied real estate loans to individuals. Typically, our customers have financing requirements between \$50,000 and \$1,000,000. We generally do not seek loans of more than \$5 million but will consider larger lending relationships exhibiting above-average credit quality. Under our commercial banking strategy, we focus on offering a broad line of financial products and services to small and medium-sized businesses through full service banking offices.

Summit Community Bank has senior management with extensive lending experience. These managers exercise substantial authority over credit and pricing decisions, subject to loan committee approval for larger credits. We centralize operational and support functions that are transparent to customers in order to achieve consistency and cost efficiencies in the delivery of products and services by each banking office. Our central office provides services such as data processing, deposit operations, accounting, treasury management, loan administration, loan review, compliance, risk management and internal auditing to enhance our delivery of quality service. We also provide overall direction in the areas of credit policy and administration, strategic planning, marketing, investment portfolio management, human resources administration and other financial and administrative services. The banking offices work closely with us to develop new products and services needed by our customers and to introduce enhancements to existing products and services.

Our principal office is located at 300 North Main Street, Moorefield, West Virginia 26836, and our telephone number is (304) 530-1000. Our Internet website address is www.summitfgi.com. The information contained in, or that can be accessed through, our website is not a part of this prospectus or any prospectus supplement.

Administrative Actions

On October 25, 2012, Summit Community Bank entered into a revised MOU ("Summit Community Bank MOU") which replaced the informal Memorandum of Understanding between Summit Community Bank, the FDIC, and the West Virginia Division of Financial Institutions, effective September 24, 2009, and subsequently amended on February 1, 2011. A memorandum of understanding is characterized by the regulatory authorities as an informal action that is not published or publicly available and that is used when circumstances warrant a milder form of action than a formal supervisory action, such as a formal written agreement or order. In general, the Summit Community Bank MOU includes provisions substantially similar to those in the prior Summit Community Bank MOU with the exception that several provisions deemed no longer applicable by the regulatory authorities were removed and a provision relative to reducing Summit Community Bank's levels of classified assets was added.

In summary, we have agreed, among other things, to address the following matters relative to Summit Community Bank:

- maintaining a Board committee which monitors and promotes compliance with the provisions of the Summit Community Bank MOU;
- providing Summit Community Bank's regulatory authorities with updated reports of criticized assets and/or formal workout plans for all nonperforming borrower relationships with an aggregate outstanding balance exceeding \$1 million;
- developing and submitting to regulatory authorities a written plan to reduce Summit Community Bank's risk exposure in each adversely classified credit relationship in excess of \$1 million and all OREO;
- establishing procedures to report all loans with balances exceeding \$500,000 that have credit weaknesses or that fall outside of Summit Community Bank's policy;
- annually reviewing the organizational structure and operations of Summit Community Bank's loan department;
- maintaining an adequate allowance for loan and lease losses through charges to current operating income;
- reviewing overall liquidity objectives and developing and submitting to regulatory authorities plans and procedures aimed to improve liquidity and reduce reliance on volatile liabilities;
- preparing comprehensive budgets and earnings forecasts for Summit Community Bank and submitting reports comparing actual performance to the budget plan;
- maintaining a minimum Tier 1 Leverage Capital ratio of at least eight percent (8%) and a Total Risk-based Capital ratio of at least eleven percent (11%);
- not paying any cash dividends without the prior written consent of the banking regulators; and,
- providing quarterly progress reports to Summit Community Bank's regulatory authorities detailing steps taken to comply with the Summit Community Bank MOU.

In addition to the Summit Community Bank MOU, on November 6, 2009, Summit Financial Group entered into an informal Memorandum of Understanding ("Holding Company MOU") with its principal regulators, the West Virginia Division of Banking (now known as the West Virginia Division of Financial Institutions) and the Federal Reserve Bank of Richmond. Under the terms of the Holding Company MOU, we agreed to:

- promote compliance with the provisions of the Summit Community Bank MOU;
- suspend all cash dividends on our common stock until further notice;
- not incur any additional debt, other than trade payables, without the prior written consent of the principal banking regulators;
- adopt and implement a capital plan that is acceptable to the principal banking regulators and that is designed to
- maintain an adequate level and composition of capital protection commensurate for the risk profile of the organization; and

provide quarterly progress reports to Summit's regulatory authorities detailing the steps taken to comply with the Holding Company MOU.

Dividends on all preferred stock, including the Series 2009 preferred stock and Series 2011 preferred stock, as well as interest payments on our subordinated debt and junior subordinated debentures underlying our trust preferred securities, continue to be permissible. However, such dividends and interest payments on our preferred stock and trust preferred debt are subject to future review by the Federal Reserve should we experience deterioration in our financial condition. As a result of the Summit Community Bank MOU, Summit Community Bank is restricted from paying any cash dividends unless it has provided 30 days' prior notice to its regulatory authorities, and its regulatory authorities did not object.

Summit Community Bank received regulatory approval for and paid two upstream dividends to Summit totaling \$2.0 million during 2013. Summit Community Bank also received regulatory approval for and paid an upstream dividend to Summit totaling \$3.0 million in 2014 as of September 30, 2014.

Dividends from Summit Community Bank are our principal source of funds to pay dividends and interest payments on our common stock, preferred stock, trust preferred debt and subordinated debt. We currently have sufficient cash on hand to continue to service our trust preferred and subordinated debt obligations as well as the expected dividend payments on our preferred stock through June 30, 2015. Nevertheless, we can make no assurances that we will continue to have sufficient funds available for distributions to the holders of our preferred stock or that such dividends will continue to be permitted by our regulatory authorities.

RISK FACTORS

An investment in our securities involves a high degree of risk. Before making an investment decision, you should carefully read and consider the risk factors incorporated by reference in this prospectus, as well as those contained in any applicable prospectus supplement, as the same may be updated from time to time by our future filings with the SEC under the Exchange act. You should also refer to other information contained in or incorporated by reference in this prospectus and any applicable prospectus supplement, including our financial statements and the related notes incorporated by reference herein. Additional risks and uncertainties not known to us at this time or that we currently deem immaterial may also materially and adversely affect our business and operations.

THE OFFERING

The descriptions of the securities contained in this prospectus, together with any applicable prospectus supplement, summarize the material terms and provisions of the various types of securities that we may offer hereunder. We will describe in the applicable prospectus supplement relating to any securities the particular terms of the securities offered by that prospectus supplement.

We may sell from time to time, in one or more offerings:

- common stock,

• preferred stock, which may be convertible into shares of our common stock or other securities,

- depositary shares representing fractional interest in our preferred stock,
- senior or subordinated debt securities,
- rights to purchase common stock or other securities,
- warrants to purchase any of the securities listed above, and
- units consisting of two or more of the above-mentioned securities in any combination thereof, which may or may not be separate from one another.

Our ability to sell certain of these securities could be limited by our existing or future credit agreements, regulatory restrictions, or by other factors, and you should not assume that we will be able to issue any or all of these securities if and when we require cash.

To the extent we describe the general terms of any of the above-listed securities under the heading “Description of Securities We May Offer,” such descriptions are not intended to list all of the terms or provisions that may be applicable to any such securities to be sold hereunder, and we are not limited in any respect in our ability to issue securities with terms different from or in addition to those described under any such headings or elsewhere in this prospectus, provided that the terms are not inconsistent with our Articles of Incorporation, Bylaws or any applicable indenture or other similar instrument.

No director, officer, employee or stockholder of ours has any liability for (i) any of our obligations under any debt or equity securities issued in accordance with this prospectus or under any indenture, certificate of designations or other governing instrument delineating such obligations or (ii) any claim based on, in respect of, or by reason of such obligations or their creation. Each holder, upon our issuance of any such securities or our execution and delivery of any such instrument, waives and releases all such liability. This waiver and release are part of the consideration for issuance of such securities. Such waiver may not be effective to waive liabilities under the federal securities laws. This prospectus may not be used to consummate a sale of securities unless it is accompanied by a prospectus supplement.

USE OF PROCEEDS

Unless we otherwise state in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus and the accompanying prospectus supplements for general corporate purposes. General corporate purposes may include repayment of debt, additions to working capital, capital expenditures, investments in our subsidiaries, possible acquisitions and the repurchase, redemption or retirement of securities, including shares of our common stock. The net proceeds may be temporarily invested in interest bearing accounts or short-term, interest-bearing securities or applied to repay short-term or revolving debt prior to use. Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

DESCRIPTION OF OUTSTANDING SECURITIES

General

Our authorized capital stock consists of 20,250,000 shares, of which 20,000,000 shares are common stock, par value \$2.50 per share, and 250,000 shares are preferred stock, par value \$1.00 per share, of which 10,000 shares have been designated as 8% Non-Cumulative Convertible Preferred Stock, Series 2009, or “Series 2009 preferred stock” and 15,000 shares have been designated as 8% Non-Cumulative Convertible Preferred Stock, Series 2011, or “Series 2011 preferred stock.” As of the date of this prospectus, there were 7,457,222 shares of our common stock outstanding, held by approximately 1,225 shareholders of record, 3,710 shares of our Series 2009 preferred stock outstanding, held by approximately 30 shareholders of record and 11,914 shares of our Series 2011 preferred stock outstanding, held by approximately 57 shareholders of record. We previously have issued 40,000 shares of a series of preferred stock known as the “Rockingham National Bank Series Convertible Preferred Stock,” which shares have since converted to common stock. Due to such issuance and subsequent conversion of the Rockingham National Bank Series Convertible Preferred Stock, the 3,710 shares of Series 2009 preferred stock, and 11,914 shares of 2011 preferred stock currently outstanding, there are 194,376 shares of preferred stock available for issuance in this offering.

As of the date of this prospectus, 8,000 shares of our common stock were reserved for issuance upon the exercise of options that have been granted under our 2009 Option Plan. At our annual meeting of shareholders that was held on May 15, 2014, our shareholders approved the Summit Financial Group, Inc. 2014 Long-Term Incentive Plan, pursuant to which we are authorized to issue up to 500,000 shares of common stock upon the exercise of stock options, stock appreciation rights, restricted stock, and restricted stock units granted under the plan.

In addition, we have agreed to sell approximately 1,057,137 shares of common stock (representing approximately 9.9% of our outstanding common stock) at the price of \$9.75 per share to Castle Creek in a private placement. The private placement with Castle Creek will consist of two (2) closings. The consummation of the first closing for the purchase of 819,384 shares of common stock at an aggregate price of \$7,988,994 is conditioned upon, among other things, the receipt by Castle Creek of certain regulatory confirmations. The consummation of the second closing for the purchase of 237,753 shares of common stock at an aggregate price of \$2,318,092 is conditioned upon, among other things, the conversion into shares of common stock of all of the outstanding shares of our 8% Non-Cumulative Convertible Preferred Stock, Series 2009 and our 8% Non-Cumulative Convertible Preferred Stock, Series 2011, in accordance with the terms of our Articles of Incorporation, as amended.

Common Stock

The following summary describes the material features and rights of our common stock and is subject to, and qualified in its entirety by, applicable law and the provisions of our amended and restated articles of incorporation and bylaws. Voting Rights. All voting rights are vested in the holders of our common stock. On all matters subject to a vote of shareholders, our shareholders will be entitled to one vote for each share of common stock owned. Our shareholders have cumulative voting rights with regard to election of directors.

Dividend Rights. Our shareholders are entitled to receive dividends when and as declared by our board of directors. As further described below, we are presently restricted from paying dividends on our common shares. The payment of dividends is also subject to the restrictions set forth in the West Virginia Corporation Act and the limitations imposed by the Federal Reserve Board.

Our payment of dividends depends upon receipt of dividends from our banking subsidiary. Payment of dividends by Summit Community Bank is regulated by the FDIC and the West Virginia Division of Financial Institutions and generally, the prior approval of the FDIC is required if the total dividends declared by our bank, a state non-member bank, in any calendar year exceeds its net profits, as defined, for that year combined with its retained net profits for the preceding two years. Additionally, prior approval of the FDIC is required when a state non-member bank has deficit retained earnings but has sufficient current year's net income, as defined, plus the retained net profits of the two preceding years. The FDIC may prohibit dividends if it deems the payment to be an unsafe or unsound banking practice. The FDIC has issued guidelines for dividend payments by state non-member banks emphasizing that proper dividend size depends on the bank's earnings and capital.

Under the terms of the Summit Community Bank MOU, Summit Community Bank may pay dividends to us if they give 30 days prior notice to the FDIC and the West Virginia Division of Financial Institutions and those agencies do not object. In addition, under the terms of the Holding Company MOU, we have suspended all cash dividends on our common stock until further notice. Dividends on all preferred stock, including the Series 2009 preferred stock and Series 2011 preferred stock, as well as interest payments on junior subordinated debentures underlying our trust preferred securities, continue to be permissible. However, no assurances can be given that such payments will be permitted in the future if we experience additional deterioration in our financial condition. Summit Community Bank received regulatory approval for and paid two upstream dividends to Summit totaling \$2.0 million during 2013, the first of such dividends paid since 2008. Summit Community Bank also received regulatory approval for and paid an upstream dividend to Summit totaling \$3.0 million in 2014 as of September 30, 2014.

Liquidation Rights. Upon any liquidation, dissolution or winding up of our affairs, the holders of our common stock are entitled to receive pro rata all of our assets for distribution to shareholders. There are no redemption or sinking fund provisions applicable to the common stock.

Our board of directors may approve for issuance, without approval of the holders of common stock, preferred stock that has voting, dividend or liquidation rights superior to that of our common stock and which may adversely affect the rights of holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of common stock and could have the effect of delaying, deferring or preventing a change in control of our company.

Assessment and Redemption. Shares of our common stock presently outstanding are validly issued, fully paid and nonassessable. There is no provision for any voluntary redemption of our common stock.

Preemptive Rights. No holder of any share of our capital stock has any preemptive right to subscribe to an additional issue of our capital stock or to any security convertible into such stock.

Anti-Takeover Provisions. Provisions of our amended and restated articles of incorporation and bylaws may have anti-takeover effects. These provisions may discourage attempts by others to acquire control of Summit without negotiation with our board of directors. The effect of these provisions is discussed briefly below.

Authorized Stock. The shares of our common stock authorized by our amended and restated articles of incorporation but not issued provide our board of directors with the flexibility to effect financings, acquisitions, stock dividends, stock splits and stock-based grants without the need for a shareholder vote. Our board of directors, consistent with its fiduciary duties, could also authorize the issuance of shares of preferred stock, and could establish voting, conversion, liquidation and other rights for our preferred stock being issued, in an effort to deter attempts to gain control of Summit

Classification of Board of Directors. Our amended and restated articles of incorporation currently provide that our board of directors is divided into three classes of as nearly equal size as possible, with one class elected annually to serve for a term of three years. This classification of our board of directors may discourage a takeover of Summit because a shareholder with a majority interest in our company would have to wait for at least two consecutive annual meetings of shareholders to elect a majority of the members of our board of directors.

Amendment of Amended and Restated Articles of Incorporation. Our amended and restated articles of incorporation requires the approval of 66 2/3% of our shareholders to amend certain of the provisions of our amended and restated articles of incorporation. This requirement is intended to prevent a shareholder who controls a majority of our common stock from avoiding the requirements of important provisions of our amended and restated articles of incorporation simply by amending or repealing those provisions. Accordingly, the holders of a minority of the shares of our common stock could block the future repeal or modification of certain provisions of our amended and restated articles of incorporation, even if that action were deemed beneficial by the holders of more than a majority, but less than 66 2/3%, of our common stock.

Business Combination Provisions. Our amended and restated articles of incorporation provide that at least 66 2/3% of the authorized, issued and outstanding voting shares must approve certain business combination transactions unless the particular business combination transaction has been previously approved by at least 66 2/3% of the board of directors, in which case a simple majority vote of the shareholders is required. In addition, our amended and restated articles of incorporation provide that neither we nor any of our subsidiaries may become a party to any business combination transaction unless certain fair price requirements are satisfied.

Anti-Greenmail Provisions. Our amended and restated articles of incorporation provide that we may not repurchase, directly or indirectly, any shares of our common stock at a purchase price that is greater than fair market value for such shares, from a 10% or greater shareholder (or an affiliate or associate of such shareholder) who acquired at least half of such shares within the last two years, unless such stock repurchase is approved by the holders of at least a majority of our outstanding shares of common stock (other than the interested shareholder).

Listing. Our common stock is listed on the Nasdaq Capital Market under the symbol "SMMF."

Transfer Agent. The transfer agent for our common stock is Registrar and Transfer Company. The transfer agent's address is 10 Commerce Street, Cranford, New Jersey 07016-3572.

Series 2009 Preferred Stock

The following summary describes the material features and rights of our Series 2009 preferred stock and is subject to, and qualified in its entirety by, applicable law and the provisions of our amended and restated articles of incorporation and bylaws. For the complete provisions, we refer you to our amended and restated articles of incorporation, as amended, including the Certificate of Designations of the Series 2009 preferred stock, copies of which have been filed with the SEC and which are incorporated by reference into the registration statement of which this prospectus is a part.

General. Our Series 2009 preferred stock constitutes a single series of our preferred stock, consisting of up to 10,000 shares, par value \$1.00 per share, having a liquidation preference of \$1,000 per share. The holders of the Series 2009 preferred stock have no preemptive rights. All of the shares of the Series 2009 preferred stock, when issued and paid for, will be validly issued, fully paid and non-assessable.

The Series 2009 preferred stock ranks, with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up, (1) on a parity with each class or series of capital stock we may issue in the future the terms of which expressly provide that such class or series will rank on a parity with the Series 2009 preferred stock as to dividend rights and rights on liquidation, dissolution or winding-up of Summit (collectively, the “parity securities”), and (2) senior to our common stock and each other class or series of capital stock we may issue in the future the terms of which do not expressly provide that it ranks on a parity with or senior to the Series 2009 preferred stock as to dividend rights and rights on liquidation, dissolution or winding-up of Summit Financial Group (collectively, the “junior securities”).

We may not issue any class or series of our capital stock, the terms of which provide that such class or series will rank senior to the Series 2009 preferred stock as to payment of dividends or distribution of assets upon our liquidation, dissolution or winding-up, without the approval of the holders of at least two-thirds of the shares of our Series 2009 preferred stock then outstanding and any class or series of parity securities then outstanding, voting together as a single class, with each series or class having a number of votes proportionate to the aggregate liquidation preference of the outstanding shares of such class or series. See “-Voting Rights” on page 25. We may, however, from time to time, without notice to or consent from holders of the Series 2009 preferred stock, create and issue parity securities and junior securities.

Dividends. Dividends on the Series 2009 preferred stock are payable quarterly in arrears, if, as and when declared by our board of directors out of legally available funds, on a non-cumulative basis on the \$1,000 per share purchase price, at an annual rate equal to 8.0%. Subject to the foregoing, dividends are payable in arrears on the 1st day of March, June, September and December of each year (each, a “dividend payment date”). Each dividend is payable to holders of record as they appear on our stock register on the last day of each calendar quarter (i.e., March 31, June 30, September 30 and December 31), whether or not a business day. Each calendar quarter ending on March 31, June 30, September 30 and December 31 is herein referred to as a “dividend period.” In addition, with respect to the first dividend period, holders begin to accrue the right to the payment of a dividend on the date of the issuance of the Series 2009 preferred stock through the end of such calendar quarter. Dividends payable for each dividend period are computed on the basis of a 360-day year consisting of twelve 30-day months. If a scheduled dividend payment date falls on a day that is not a business day, the dividend will be paid on the next business day as if it were paid on the scheduled dividend payment date, and no interest or other amount will accrue on the dividend so payable for the period from and after that dividend payment date to the date the dividend is paid. The term “business day” means any day that is not Saturday or Sunday and that, in Moorefield, West Virginia, is not a day on which banking institutions generally are authorized or obligated by law or executive order to be closed.

Dividends on the Series 2009 preferred stock are non-cumulative. If for any reason our board of directors does not authorize and declare a dividend on the Series 2009 preferred stock for a dividend period, or if the board of directors authorizes and declares less than a full dividend, we will have no obligation to pay any dividend or full dividend for that period, whether or not our board of directors authorizes and declares dividends on the Series 2009 preferred stock for any subsequent dividend period.

We are not obligated to and will not pay holders of the Series 2009 preferred stock any interest or sum of money in lieu of interest on any dividend not paid on a dividend payment date. We are also not obligated to and will not pay holders of the Series 2009 preferred stock any dividend in excess of the dividends on the Series 2009 preferred stock that are payable as described above.

There is no sinking fund with respect to dividends.

Dividends on all preferred stock, including the Series 2009 preferred stock continue to be permissible. However, such dividends and interest payments on our preferred stock and trust preferred debt are subject to future review by the Federal Reserve should we experience additional deterioration in our financial condition. Although dividends from the Bank are our principal source of funds to pay dividends and interest payments on our common stock, preferred stock, trust preferred debt and subordinated debt, we currently have sufficient cash on hand to continue to service our trust preferred and subordinated debt obligations as well as the expected dividend payments on our preferred stock through June 30, 2015. Nevertheless, we can make no assurances that we will continue to have sufficient funds available for distributions to the holders of our preferred stock or that such dividends will continue to be permitted by our regulatory authorities.

Dividend Stopper. So long as any share of Series 2009 preferred stock remains outstanding, (1) no cash dividend will be declared and paid or set aside for payment and no distribution will be declared and made or set aside for payment on any junior securities (other than a dividend payable solely in shares of junior securities) and (2) no shares of junior securities will be repurchased, redeemed, or otherwise acquired for consideration by us, directly or indirectly (other than as (a) a result of a reclassification of junior securities for or into other junior securities, or the exchange or conversion of one share of junior securities for or into another share of junior securities, (b) repurchases in support of our employee benefit and compensation programs and (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior securities), unless, in each case, the full dividends for the most recent dividend payment date on all outstanding shares of the Series 2009 preferred stock and parity securities have been paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Except as provided below, for so long as any share of Series 2009 preferred stock remains outstanding, we will not declare, pay, or set aside for payment dividends on any parity securities for any period unless we have paid in full, or declared and set aside payment in full, in respect of all dividends for the then-current dividend period for all outstanding shares of Series 2009 preferred stock. To the extent that we declare dividends on the Series 2009 preferred stock and on any parity securities but do not make full payment of such declared dividends, we will allocate the dividend payments on a pro rata basis among the holders of the shares of Series 2009 preferred stock and the holders of any parity securities. For purposes of calculating the pro rata allocation of partial dividend payments, we will allocate those payments so that the respective amounts of those payments bear the same ratio to each other as all accrued and unpaid dividends per share on the Series 2009 preferred stock and all parity securities bear to each other.

Redemption. The Series 2009 preferred stock is not redeemable either at our option or at the option of the holders. The Series 2009 preferred stock is not subject to any sinking fund or other obligation to redeem, repurchase or retire the Series 2009 preferred stock.

Optional Conversion Right. Each share of the Series 2009 preferred stock may be converted on any dividend payment date (i.e., the 1st day of March, June, September or December), at the option of the holder, into a number of shares of our common stock determined by dividing \$1,000 by the greater of (i) \$5.50 or (ii) the consolidated closing bid price of our common stock as quoted on the Nasdaq Capital Market immediately preceding the closing of the offering, plus cash in lieu of fractional shares and subject to anti-dilution adjustments (such rate or adjusted rate, the “conversion rate”).

The conversion rate and the corresponding conversion price in effect at any given time are referred to as the “applicable conversion rate” and the “applicable conversion price,” respectively, and will be subject to adjustment as described below. The applicable conversion price at any given time will be computed by dividing \$1,000 by the applicable conversion rate at such time.

If the conversion date is on or prior to the record date for any declared dividend for the dividend period in which you elect to convert, you will not receive any declared dividends for that dividend period. If the conversion date is after the record date for any declared dividend and prior to the corresponding dividend payment date, you will receive that dividend on the relevant dividend payment date if you were the holder of record on the record date for that dividend; however, whether or not you were the holder of record on the record date, if you convert after a record date and prior to the related dividend payment date, you must pay to the conversion agent when you convert your shares of Series 2009 preferred stock an amount in cash equal to the full dividend actually paid on such dividend payment date on the shares being converted, unless your shares of Series 2009 preferred stock are being converted as a consequence of a conversion at our option or a mandatory conversion on June 1, 2019.

Mandatory Conversion at Our Option. On or after June 1, 2012, we may, at our option, on any dividend payment date cause some or all of the Series 2009 preferred stock to be converted into shares of our common stock at the then applicable conversion rate.

We may exercise our conversion right if, for 20 trading days within any period of 30 consecutive trading days during the six months immediately preceding such conversion, ending on the trading day preceding the date we give notice of mandatory conversion, the closing price of our common stock exceeds 135% of the greater of (i) \$5.50 or (ii) the consolidated closing bid price of our common stock as quoted on the Nasdaq Capital Market immediately preceding the closing of the offering.

If less than all of the shares of Series 2009 preferred stock are converted, the conversion agent will select the Series 2009 preferred stock to be converted by lot, or on a pro rata basis or by another method the conversion agent considers fair and appropriate. If the conversion agent selects a portion of your Series 2009 preferred stock for partial mandatory conversion and you convert a portion of the same shares of Series 2009 preferred stock, the converted portion will be deemed to be from the portion selected for mandatory conversion.

We refer to the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of our common stock on the Nasdaq Capital Market as the “closing price” of the common stock on any determination date. If the common stock is not traded on the Nasdaq Capital Market on any determination date, the closing price of the common stock on any determination date means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or, if no closing price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or if the common stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the common stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

A “trading day” is a day on which the shares of our common stock:

• are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and

• have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the common stock.

For purposes of this prospectus, all references to the closing price and last reported sale price of the common stock on the Nasdaq Capital Market shall be such closing price and last reported sale price as reflected on Nasdaq's website (<http://www.nasdaq.com>) or any successor thereto.

For purposes of calculating the "closing price" of our common stock, if a business combination (as defined below under "Business Combinations" on page 24) has occurred and (1) the exchange property consists only of shares of common stock, the "closing price" shall be based on the closing per share price of such common stock; (2) the exchange property consists only of cash, the "closing price" shall be the cash amount paid per share; and (3) the exchange property consists of securities, cash and/or other property, the "closing price" shall be based on the sum, as applicable, of (x) the closing price of such common stock, (y) the cash amount paid per share and (z) the value (as determined by our board of directors from time-to-time) of any other securities or property paid to our shareholders in connection with the business combination.

To exercise the mandatory conversion right described above, we must provide a notice of such conversion to each holder of our Series 2009 preferred stock or issue a press release for publication and make this information available on our website, if any. The conversion date will be a date selected by us (the "mandatory conversion date") and will be no more than 20 and not less than 10 days after the date on which we provide such notice of mandatory conversion or issue such press release. In addition to any information required by applicable law or regulation, the notice of mandatory conversion and press release shall state, as appropriate: the mandatory conversion date; the number of shares of our common stock to be issued upon conversion of each share of Series 2009 preferred stock; and the number of shares of Series 2009 preferred stock to be converted.

Mandatory Conversion After Ten Years. On June 1, 2019, all of the Series 2009 preferred stock issued and outstanding at that time shall automatically and mandatorily be converted into shares of our common stock at the then applicable conversion rate. The conversion of the Series 2009 preferred stock into common stock at such date shall not be conditioned on the price of our common stock or any other event or occurrence.

Conversion Procedures. Conversion into shares of our common stock will occur on the mandatory conversion date or any applicable conversion date (as defined below). On the mandatory conversion date, shares of our common stock will be issued to you or your designee upon presentation and surrender of the certificate evidencing the Series 2009 preferred stock to the conversion agent and upon compliance with some additional procedures described below.

On the date of any conversion at the option of a holder, the holder must do each of the following in order to convert:

- complete and manually sign the conversion notice provided by the conversion agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the conversion agent;
- surrender the shares of Series 2009 preferred stock to the conversion agent;
- if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

if required, pay funds equal to any declared and unpaid dividend payable on the next dividend payment date to which such holder is entitled.

The date on which a holder complies with the foregoing procedures is the “conversion date.”

The conversion agent for the Series 2009 preferred stock is initially the transfer agent. A holder may obtain a copy of the required form of the conversion notice from the conversion agent. The conversion agent will, on a holder’s behalf, convert the Series 2009 preferred stock into shares of our common stock, in accordance with the terms of the notice delivered by us described above. Payments of cash for dividends and in lieu of fractional shares and, if shares of our common stock are to be delivered, a stock certificate or certificates, will be delivered to the holder, by the conversion agent.

The person or persons entitled to receive the shares of common stock issuable upon conversion of the Series 2009 preferred stock will be treated as the record holder(s) of such shares as of the close of business on the applicable conversion date. Prior to the close of business on the applicable conversion date, the shares of common stock issuable upon conversion of the Series 2009 preferred stock will not be deemed to be outstanding for any purpose and you will have no rights with respect to the common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the common stock, by virtue of holding the Series 2009 preferred stock.

Adjustments to the Conversion Price. We will adjust the conversion rate in the following circumstances:

(1) issuances of our common stock to all or substantially all holders of our common stock as a dividend or distribution, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution

CR_1 = the conversion rate in effect on the ex-dividend date for such dividend or distribution

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution

OS_1 = the number of shares of our common stock that would be outstanding immediately after, and solely as a result of, such dividend or distribution

Any adjustment made pursuant to this clause (1) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the ex-dividend date for such dividend or distribution. If any dividend or distribution described in this clause (1) is declared but not so paid or made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to make such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared. For purposes of this clause (1), the number of shares of our common stock outstanding at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution shall not include shares of our common stock held in treasury, if any. We will not pay any dividend or make any distribution on our shares of our common stock held in treasury, if any.

(2) certain subdivisions or combinations of our common stock, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the effective date of such subdivision or combination

CR_1 = the conversion rate in effect on the effective date of such subdivision or combination

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., West Virginia time, on the trading day immediately preceding the effective date of such subdivision or combination

OS_1 = the number of shares of our common stock that would be outstanding immediately after, and solely as a result of, such subdivision or combination

Any adjustment made pursuant to this clause (2) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the effective date of such subdivision or combination.

(3) issuances to all or substantially all holders of our common stock of certain rights (other than rights issued pursuant to a shareholders' rights plans or the 1998 and 2009 stock option plans) or warrants to purchase shares of our common stock at a price less than the current market price (as defined below) of our common stock, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such issuance

CR_1 = the conversion rate in effect on the ex-dividend date for such issuance

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such issuance

X = the total number of shares of our common stock issuable pursuant to such rights or warrants

Y = the number of shares of our common stock equal to the quotient of (x) the aggregate price payable to exercise such rights or warrants divided by (y) the current market price of our common stock

Any adjustment made pursuant to this clause (3) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the ex-dividend date for such issuance. In the event that such rights or warrants described in this clause (3) are not so issued, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to issue such rights or warrants to the conversion rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or shares of our common stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the conversion rate shall be readjusted to the conversion rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of our common stock actually delivered. In determining the aggregate price payable to exercise such rights or warrants, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined by our board of directors). For purposes of this clause (3), the number of shares of our common stock outstanding at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such issuance shall not include shares of our common stock held in treasury, if any. We will not issue any such rights or warrants in respect of shares of our common stock held in treasury, if any.

(4) distributions to all or substantially all holders of our common stock of our capital stock, evidences of our indebtedness or assets, including securities, but excluding:

- any dividends or distributions referred to in clause (1) above;
- the rights and warrants referred to in clause (3) above;
- any dividends or distributions referred to in clause (5) below;
- any dividends and distributions in connection with a consolidation, merger, sale, transfer, lease, conveyance, reclassification or statutory exchange resulting in a change in the conversion consideration as described below under “Business Combinations;” and
- any spin-off to which the provisions set forth below in this clause (4) shall apply,

in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

- CR_0 = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such distribution
- CR_1 = the conversion rate in effect on the ex-dividend date for such distribution
- SP_0 = the current market price of our common stock
- FMV = the fair market value (as determined by our board of directors), on the ex-dividend date for such distribution, of the shares of capital stock, evidences of indebtedness or assets so distributed, expressed as an amount per share of our common stock

If the transaction that gives rise to an adjustment pursuant to this clause (4) is, however, one pursuant to which the payment of a dividend or other distribution on our common stock consists of shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours (i.e., a spin-off) that are, or, when issued, will be, traded or listed on the Nasdaq Global Select Market, the Nasdaq Capital Market, the New York Stock Exchange or any other U.S. national securities exchange or association, then the conversion rate will instead be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such distribution

CR_1 = the conversion rate in effect on the ex-dividend date for such distribution

FMV_0 = the average of the closing prices of the capital stock or similar equity interests distributed to holders of our common stock applicable to one share of our common stock during the 10 consecutive trading day period commencing on, and including, the effective date of the spin-off

MP_0 = the average of the closing prices of our common stock during the 10 consecutive trading day period commencing on, and including, the effective date of the spin-off

Any adjustment made pursuant to this clause (4) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the ex-dividend date for such distribution. In the event that such distribution described in this clause (4) is not so made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such distribution had not been declared. If an adjustment to the conversion rate is required under this clause (4), delivery of any additional shares of our common stock upon conversion of the Series 2009 preferred stock will be delayed to the extent necessary in order to complete the calculations provided for in this clause (4).

(5) dividends or other distributions consisting exclusively of cash to all or substantially all holders of our common stock (other than (i) dividends or distributions made in connection with our liquidation, dissolution or winding-up or upon a consolidation, merger, sale, transfer, lease, conveyance, reclassification or statutory exchange resulting in a change in the conversion consideration as described below under “— Business Combinations” or (ii) regular cash dividends to the extent that such dividends do not exceed \$0.50 per share on a semi-annual basis or, if applicable, \$0.25 per share on a quarterly basis (the “dividend threshold amount”), in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - DIV}$$

where,

- CR₀ = the conversion rate in effect at 5:00 p.m., West Virginia time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution
- CR₁ = the conversion rate in effect on the ex-dividend date for such dividend or distribution
- SP₀ = the current market price of our common stock
- DIV = the amount in cash per share of our common stock that we distribute to holders of our common stock, as determined pursuant to the following sentences. If any adjustment is required to be made as set forth in this clause (5) as a result of a distribution (i) that is a regularly scheduled quarterly dividend, such adjustment would be based on the amount by which such dividend exceeds the dividend threshold amount or (ii) that is not a regularly scheduled quarterly dividend, such adjustment would be based on the full amount of such distribution. The dividend threshold amount is subject to adjustment on an inversely proportional basis whenever the conversion rate is adjusted; provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the conversion rate pursuant to this clause (5).

Any adjustment made pursuant to this clause (5) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the ex-dividend date for such dividend or distribution. In the event that such dividend or distribution described in this clause (5) is not so made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(6) purchases of our common stock pursuant to a tender offer or exchange offer made by us or any of our subsidiaries for all or any portion of our common stock, to the extent that the cash and the value of any other consideration included in the payment per share of the common stock exceeds the closing price per share of the common stock on the trading day next succeeding the last date, as it may be amended, on which tenders or exchanges may be made pursuant to such tender offer or exchange offer (the “expiration date”), in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{SP_1 \times OS_0}$$

where,

- CR₀ = the conversion rate in effect at 5:00 p.m., West Virginia time, on the expiration date
- CR₁ = the conversion rate in effect immediately after 5:00 p.m., West Virginia time, on the expiration date
- AC = the aggregate value of all cash and any other consideration (as determined by our board of directors), on the expiration date, paid or payable for shares of our common stock validly tendered or exchanged and not withdrawn as of the expiration date
- OS₁ = the number of shares of our common stock outstanding immediately after the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the “expiration time”)
- OS₀ = the number of shares of our common stock outstanding immediately before the expiration time
- SP₁ = the average closing price per share of our common stock during the 10 consecutive trading day period commencing on the trading day immediately after the expiration date

Any adjustment made pursuant to this clause (6) shall become effective immediately prior to 9:00 a.m., West Virginia time, on the trading day immediately following the expiration date. In the event that we are, or one of our subsidiaries is, obligated to purchase shares of our common stock pursuant to any such tender offer or exchange offer, but we are, or such subsidiary is, permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the conversion rate shall be readjusted to be the conversion rate that would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this clause (6) to any tender offer or exchange offer would result in a decrease in the conversion rate, no adjustment shall be made for such tender offer or exchange offer under this clause (6). If an adjustment to the conversion rate is required pursuant to this clause (6), delivery of any additional shares of our common stock upon conversion of the Series 2009 preferred stock will be delayed to the extent necessary in order to complete the calculations provided for in this clause (6).

The term “ex-dividend date,” when used with respect to any such issuance, dividend or distribution, means the first date on which shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution. The term “current market price” means the average closing price of our common stock during the 10 consecutive trading day period ending on the trading day immediately preceding the “ex-dividend date” with respect to the issuance, dividend or distribution requiring such computation. Notwithstanding the foregoing, whenever successive anti-dilution adjustments to the conversion rate are called for, such adjustments shall be made to the current market price as may be necessary or appropriate to effectuate the intent of the anti-dilution adjustments and to avoid unjust or inequitable results as determined by our board of directors.

If during a period applicable for calculating the closing price of our common stock, an event occurs that requires an adjustment to the conversion rate, the closing price shall be calculated for such period in a manner determined by us to appropriately reflect the impact of such event on the price of our common stock during such period. Whenever any provision requires a calculation of an average of closing prices of our common stock over multiple days, appropriate adjustments shall be made to account for any adjustment to the conversion rate that becomes effective or any event requiring an adjustment to the conversion rate where the ex-dividend date of the event occurs, at any time during the period during which the average is to be calculated.

To the extent that we have a rights plan in effect with respect to the common stock on any conversion date, upon conversion of any shares of the Series 2009 preferred stock, you will receive, in addition to the shares of our common stock, the rights under the rights plan, unless, prior to such conversion date, the rights have separated from the shares of our common stock, in which case the conversion rate will be adjusted at the time of separation as if we made a distribution to all or substantially all holders of our common stock as described in clause (4) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In cases where the fair market value of shares of capital stock, evidences of indebtedness, assets (including cash) or securities, including with respect to a spin-off, as to which clauses (4) and (5) above apply, applicable to one share of common stock, distributed to holders of common stock:

- (1) equals or exceeds the current market price of the common stock; or
- (2) the current market price of the common stock exceeds the fair market value of shares of capital stock, evidences of indebtedness, assets (including cash) or securities so distributed by less than \$1.00, rather than being entitled to an adjustment in the conversion rate, the holder shall be entitled to receive upon conversion, in addition to the shares of common stock, the kind and amount of shares of capital stock, evidences of indebtedness, assets (including cash) or securities comprising the distribution that such holder would have received if such holder’s Series 2009 preferred stock had been converted immediately prior to the record date for determining the holders of common stock entitled to receive the distribution.

Except as stated above, we will not adjust the conversion rate for the issuance of our common stock or any securities convertible into or exchangeable for our common stock or carrying the right to purchase any of the foregoing. No adjustment to the conversion rate will be made if holders may participate in the transaction that would otherwise give rise to such adjustment as a result of holding the preferred stock, without having to convert the preferred stock, as if they held the full number of shares of our common stock into which a share of the preferred stock may then be converted.

If a taxable distribution to holders of our common stock or other transaction occurs that results in any adjustment of the conversion rate (including an adjustment at our option), you may, in certain circumstances, be deemed to have received a distribution subject to U.S. income tax as a dividend. In certain other circumstances, the absence of an adjustment may result in a taxable dividend to the holders of our common stock.

We may from time to time, to the extent permitted by law and subject to the applicable rules of the Nasdaq Capital Market, increase the conversion rate of the preferred stock by a specified amount for a period of at least 20 business days. In that case, we will give at least 15 calendar days' prior notice of such increase. We may also make such increases in the conversion rate, in addition to those set forth above, as our board of directors deems advisable to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of common stock (or rights to acquire common stock) or from any event treated as such for income tax purposes.

Certain continued listing standards of the Nasdaq Capital Market potentially limit the amount by which we may increase the conversion rate. These standards generally require us to obtain the approval of our stockholders before entering into certain transactions that potentially result in the issuance of 20% or more of our outstanding common stock under certain circumstances. Accordingly, we will not increase the conversion rate as described above beyond the maximum level permitted by these continued listing standards. However, we covenant not to enter into any transaction, or take any other action, that will require an adjustment to the conversion rate that would exceed the number of shares of our common stock that would require stockholder approval under the continued listing standards of the Nasdaq Capital Market without having obtained prior stockholder approval.

We will be required, as soon as practicable after the conversion rate is adjusted, to provide or cause to be provided written notice of the adjustment to be sent to the conversion agent and to DTC and make this information available on our website. We will also be required to deliver a statement setting forth in reasonable detail the method by which the adjustment to the conversion rate was determined and setting forth the revised conversion rate.

Business Combinations. In the event of any reclassification of our outstanding shares of common stock (other than a change in par value), or in the event of any consolidation, merger or share exchange of Summit with or into another entity or any merger or consolidation of another entity with or into Summit, other than a consolidation, merger or share exchange in which Summit is the resulting or surviving entity and which does not result in any reclassification of the outstanding common stock (other than a change in par value), or in the event of any sale, lease or other disposition to another entity of all or substantially all of our assets, other than to one or more of our subsidiaries (any of the foregoing considered a “business combination”) each share of the Series 2009 preferred stock then outstanding shall be convertible, at the option of the holder, or pursuant to and in accordance with our conversion option, into the kind and amount of securities (of Summit or another issuer), cash and other property receivable upon such reclassification or business combination by a holder of the number of shares of common stock into which such shares of the Series 2009 preferred stock could have been converted immediately prior to such reclassification or business combination, after giving effect to any adjustment event. These provisions apply to successive reclassifications or business combinations. The right of a holder of Series 2009 preferred stock to convert the holder’s shares of Series 2009 preferred stock into common stock prior to the effective date of a reclassification or business combination shall not be affected by this provision. Holders of Series 2009 preferred stock shall have no right to vote with respect to such reclassification or business combination, except as specifically required by West Virginia law. See “ Voting Rights” on page 25.

We may enter into a business combination but in such event: the shares of the Series 2009 preferred stock (unless converted) will become shares of such survivor, successor, transferee or lessee, having in respect of such survivor, successor, transferee or lessee the same powers, preferences and relative participating, optional or other special rights and the qualification, limitations or restrictions thereon, that the shares of the Series 2009 preferred stock had immediately prior to such transaction; and we must deliver to the transfer agent an officer’s certificate and an opinion of counsel stating that such transaction complies with the certificate of designation.

Upon our consummation of a business combination, the successor resulting from such business combination will succeed to, and be substituted for, and may exercise every right and power of ours under the shares of the Series 2009 preferred stock, and thereafter, the predecessor (if still in existence) will be released from its obligations and covenants with respect to the Series 2009 preferred stock.

Fractional Shares. No fractional shares of our common stock will be issued to holders of the Series 2009 preferred stock upon conversion. In lieu of any fractional shares of common stock otherwise issuable in respect of the aggregate number of shares of the Series 2009 preferred stock of any holder that are converted, that holder will be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the closing price per share of our common stock determined as of the second trading day immediately preceding the effective date of conversion. If more than one share of the Series 2009 preferred stock is surrendered for conversion at one time by or for the same holder, the number of full shares of common stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series 2009 preferred stock so surrendered.

Common Stock Rights. Reference is made to the “Description of Outstanding Securities — Common Stock,” beginning on page 10, for a description of the rights of holders of common stock to be delivered upon conversion of the Series 2009 preferred stock.

Liquidation Rights. In the event that we voluntarily or involuntarily liquidate, dissolve or wind up, the holders of Series 2009 preferred stock at the time outstanding will be entitled to receive liquidating distributions in the amount of \$1,000 per share of Series 2009 preferred stock, plus an amount equal to any declared but unpaid dividends thereon, out of assets legally available for distribution to our shareholders, before any distribution of assets is made to the holders of our common stock or any other junior securities. After payment of the full amount of such liquidating distributions, the holders of Series 2009 preferred stock will not be entitled to any further participation in any distribution of assets by us, and will have no right or claim to any of our remaining assets.

In the event that our assets available for distribution to shareholders upon any liquidation, dissolution or winding-up of our affairs, whether voluntary or involuntary, are insufficient to pay in full the amounts payable with respect to all outstanding shares of the Series 2009 preferred stock and the corresponding amounts payable on any parity securities, the holders of Series 2009 preferred stock and the holders of such other parity securities will share ratably in any distribution of our assets in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled.

For such purposes, our consolidation or merger with or into any other entity, the consolidation or merger of any other entity with or into us, or the sale of all or substantially all of our property or business, will not be deemed to constitute our liquidation, dissolution, or winding-up.

Voting Rights. The holders of the Series 2009 preferred stock do not have voting rights other than those described below, except as specifically required by West Virginia law. In any matter in which the Series 2009 preferred stock may vote, each share of Series 2009 preferred stock will represent one vote.

So long as any shares of Series 2009 preferred stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of Series 2009 preferred stock voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable, given in person or by proxy, either in writing or at a meeting:

• amend or alter the provisions of our articles of incorporation or the certificate of designations for the shares of Series 2009 preferred stock so as to create or increase the authorized amount of, any specific class or series of stock ranking senior to the Series 2009 preferred stock with respect to payment of dividends or the distribution of our assets upon our liquidation, dissolution or winding up; or

• amend, alter or repeal the provisions of our articles of incorporation or the certificate of designations for the shares of Series 2009 preferred stock so as to change the rights, preferences, or limitations of the Series 2009 preferred stock; or

• consummate a share exchange or reclassification involving the shares of Series 2009 preferred stock or a merger or consolidation of us with another entity, unless in each case shares of Series 2009 preferred stock remain outstanding; provided, however, that (1) any increase in the amount of our authorized but unissued shares of preferred stock, (2) any increase in the authorized or issued shares of Series 2009 preferred stock, and (3) the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with or junior to the Series 2009 preferred stock with respect to the payment of dividends (whether such dividends are cumulative or noncumulative) and/or the distribution of assets upon our liquidation, dissolution or winding up, will not be deemed to change the rights, preferences and limitations of the Series 2009 preferred stock.

Miscellaneous. We will at all times reserve and keep available out of the authorized and unissued shares of our common stock, solely for issuance upon the conversion of the Series 2009 preferred stock, that number of shares of common stock as shall from time to time be issuable upon the conversion of all the Series 2009 preferred stock then outstanding. Any shares of the Series 2009 preferred stock converted into shares of our common stock or otherwise reacquired by us shall resume the status of authorized and unissued preferred shares, undesignated as to series, and shall be available for subsequent issuance.

Transfer Agent, Registrar, Paying Agent and Conversion Agent. Registrar and Transfer Company acts as initial transfer agent, registrar and paying agent for the payment of dividends for the Series 2009 preferred stock and the conversion agent for the conversion of the Series 2009 preferred stock.

We and the transfer agent, registrar, paying agent and conversion agent may treat the registered holder of the Series 2009 preferred stock as the absolute owner of the Series 2009 preferred stock for the purpose of making payment and settling the related conversions and for all other purposes.

Replacement of Series 2009 preferred stock Certificates. We will replace any mutilated certificate at your expense upon surrender of that certificate to the transfer agent. We will replace certificates that become destroyed, stolen or lost at your expense upon delivery to us and the transfer agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the transfer agent and us.

However, we are not required to issue any certificates representing the Series 2009 preferred stock on or after the applicable conversion date. In place of the delivery of a replacement certificate following the applicable conversion date, the transfer agent, upon delivery of the evidence and indemnity described above, will deliver the shares of common stock pursuant to the terms of the Series 2009 preferred stock formerly evidenced by the certificate.

Series 2011 Preferred Stock

The following summary describes the material features and rights of our Series 2011 Preferred Stock and is subject to, and qualified in its entirety by, applicable law and the provisions of our amended and restated articles of incorporation and bylaws. For the complete provisions, we refer you to our amended and restated articles of incorporation, as amended, including the Certificate of Designations of the Series 2011 Preferred Stock, copies of which have been filed with the SEC and which are incorporated by reference into the registration statement of which this prospectus supplement is a part.

General. Our Series 2011 Preferred Stock constitutes a single series of our preferred stock, consisting of up to 15,000 shares, par value \$1.00 per share, having a liquidation preference of \$500 per share. The holders of the Series 2011 Preferred Stock have no preemptive rights. All of the shares of the Series 2011 Preferred Stock, when issued and paid for, will be validly issued, fully paid and non-assessable.

The Series 2011 Preferred Stock ranks, with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up, (1) on a parity with our Series 2009 Preferred Stock and with each class or series of capital stock we may issue in the future the terms of which expressly provide that such class or series will rank on a parity with the Series 2011 Preferred Stock as to dividend rights and rights on liquidation, dissolution or winding-up of Summit Financial (collectively, the “parity securities”), and (2) senior to our common stock and each other class or series of capital stock we may issue in the future the terms of which do not expressly provide that it ranks on a parity with or senior to the Series 2011 Preferred Stock as to dividend rights and rights on liquidation, dissolution or winding-up of Summit Financial (collectively, the “junior securities”).

We may not issue any class or series of our capital stock, the terms of which provide that such class or series will rank senior to the Series 2011 Preferred Stock as to payment of dividends or distribution of assets upon our liquidation, dissolution or winding-up, without the approval of the holders of at least two-thirds of the shares of our Series 2011 Preferred Stock then outstanding and any class or series of parity securities then outstanding, voting together as a single class, with each series or class having a number of votes proportionate to the aggregate liquidation preference of the outstanding shares of such class or series. See “-Voting Rights” on page 39 below. We may, however, from time to time, without notice to or consent from holders of the Series 2011 Preferred Stock, create and issue parity securities and junior securities.

Dividends. Dividends on the Series 2011 Preferred Stock are payable quarterly in arrears, if, as and when declared by our board of directors out of legally available funds, on a non-cumulative basis on the \$500 per share purchase price, at an annual rate equal to 8.0%. Subject to the foregoing, dividends are payable in arrears on the 1st day of March, June, September and December of each year (each, a “dividend payment date”). Each dividend is payable to holders of record as they appear on our stock register on the last day of each calendar quarter (i.e., March 31, June 30, September 30 and December 31), whether or not a business day. Each calendar quarter ending on March 31, June 30, September 30 and December 31 is herein referred to as a “dividend period.” In addition, with respect to the first dividend period, holders begin to accrue the right to the payment of a dividend on the date of the issuance of the Series 2011 Preferred Stock through the end of such calendar quarter. Dividends payable for each dividend period are computed on the basis of a 360-day year consisting of twelve 30-day months. If a scheduled dividend payment date falls on a day that is not a business day, the dividend will be paid on the next business day as if it were paid on the scheduled dividend payment date, and no interest or other amount will accrue on the dividend so payable for the period from and after that dividend payment date to the date the dividend is paid.

The term “business day” means any day that is not Saturday or Sunday and that, in Moorefield, West Virginia, is not a day on which banking institutions generally are authorized or obligated by law or executive order to be closed.

Dividends on the Series 2011 Preferred Stock are non-cumulative. If for any reason our board of directors does not authorize and declare a dividend on the Series 2011 Preferred Stock for a dividend period, or if the board of directors authorizes and declares less than a full dividend, we will have no obligation to pay any dividend or full dividend for that period, whether or not our board of directors authorizes and declares dividends on the Series 2011 Preferred Stock for any subsequent dividend period.

We are not obligated to and will not pay holders of the Series 2011 Preferred Stock any interest or sum of money in lieu of interest on any dividend not paid on a dividend payment date. We are also not obligated to and will not pay holders of the Series 2011 Preferred Stock any dividend in excess of the dividends on the Series 2011 Preferred Stock that are payable as described above.

There is no sinking fund with respect to dividends.

Dividends on all preferred stock, including the Series 2011 Preferred Stock continue to be permissible. However, such dividends and interest payments on our preferred stock and trust preferred debt are subject to future review by the Federal Reserve Board should we experience additional deterioration in our financial condition. Although dividends from the Bank are our principal source of funds to pay dividends and interest payments on our common stock, preferred stock, trust preferred debt and subordinated debt, we currently have sufficient cash on hand to continue to service our trust preferred and subordinated debt obligations as well as the expected dividend payments on our preferred stock through June 30, 2015. Nevertheless, we can make no assurances that we will continue to have sufficient funds available for distributions to the holders of our preferred stock or that such dividends will continue to be permitted by our regulatory authorities.

Dividend Stopper. So long as any share of Series 2011 Preferred Stock remains outstanding, (1) no cash dividend will be declared and paid or set aside for payment and no distribution will be declared and made or set aside for payment on any junior securities (other than a dividend payable solely in shares of junior securities) and (2) no shares of junior securities will be repurchased, redeemed, or otherwise acquired for consideration by us, directly or indirectly (other than as (a) a result of a reclassification of junior securities for or into other junior securities, or the exchange or conversion of one share of junior securities for or into another share of junior securities, (b) repurchases in support of our employee benefit and compensation programs and (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior securities), unless, in each case, the full dividends for the most recent dividend payment date on all outstanding shares of the Series 2011 Preferred Stock and parity securities have been paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Except as provided below, for so long as any share of Series 2011 Preferred Stock remains outstanding, we will not declare, pay, or set aside for payment dividends on any parity securities for any period unless we have paid in full, or declared and set aside payment in full, in respect of all dividends for the then-current dividend period for all outstanding shares of Series 2011 Preferred Stock. To the extent that we declare dividends on the Series 2011 Preferred Stock and on any parity securities but do not make full payment of such declared dividends, we will allocate the dividend payments on a pro rata basis among the holders of the shares of Series 2011 Preferred Stock and the holders of any parity securities. For purposes of calculating the pro rata allocation of partial dividend payments, we will allocate those payments so that the respective amounts of those payments bear the same ratio to each other as all accrued and unpaid dividends per share on the Series 2011 Preferred Stock and all parity securities bear to each other. Redemption. The Series 2011 Preferred Stock is not redeemable either at our option or at the option of the holders. The Series 2011 Preferred Stock is not subject to any sinking fund or other obligation to redeem, repurchase or retire the Series 2011 Preferred Stock.

Optional Conversion Right. Each share of the Series 2011 Preferred Stock may be converted on any dividend payment date (i.e., the 1st day of March, June, September or December), at the option of the holder, into a number of shares of our common stock determined by dividing \$500 by the greater of (i) \$4.00 or (ii) the consolidated closing bid price of our common stock as quoted on the NASDAQ Capital Market immediately preceding the closing of the offering, plus cash in lieu of fractional shares and subject to anti-dilution adjustments (such rate or adjusted rate, the “conversion rate”).

The conversion rate and the corresponding conversion price in effect at any given time are referred to as the “applicable conversion rate” and the “applicable conversion price,” respectively, and will be subject to adjustment as described below. The applicable conversion price at any given time will be computed by dividing \$500 by the applicable conversion rate at such time.

If the conversion date is on or prior to the record date for any declared dividend for the dividend period in which you elect to convert, you will not receive any declared dividends for that dividend period. If the conversion date is after the record date for any declared dividend and prior to the corresponding dividend payment date, you will receive that dividend on the relevant dividend payment date if you were the holder of record on the record date for that dividend; however, whether or not you were the holder of record on the record date, if you convert after a record date and prior to the related dividend payment date, you must pay to the conversion agent when you convert your shares of Series 2011 Preferred Stock an amount in cash equal to the full dividend actually paid on such dividend payment date on the shares being converted, unless your shares of Series 2011 Preferred Stock are being converted as a consequence of a conversion at our option or a mandatory conversion on June 1, 2021.

Mandatory Conversion at Our Option. On or after June 1, 2014, we may, at our option, on any dividend payment date cause some or all of the Series 2011 Preferred Stock to be converted into shares of our common stock at the then applicable conversion rate.

We may exercise our conversion right if, for 20 trading days during the 30 consecutive trading days ending on the trading day preceding the date we give notice of mandatory conversion, the closing price of our common stock exceeds 135% of the greater of (i) \$4.00 or (ii) the consolidated closing bid price of our common stock as quoted on the NASDAQ Capital Market immediately preceding the closing of the offering.

If less than all of the shares of Series 2011 Preferred Stock are converted, the conversion agent will select the Series 2011 Preferred Stock to be converted by lot, or on a pro rata basis or by another method the conversion agent considers fair and appropriate. If the conversion agent selects a portion of your Series 2011 Preferred Stock for partial mandatory conversion and you convert a portion of the same shares of Series 2011 Preferred Stock, the converted portion will be deemed to be from the portion selected for mandatory conversion.

We refer to the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of our common stock on the NASDAQ Capital Market as the “closing price” of the common stock on any determination date. If the common stock is not traded on the NASDAQ Capital Market on any determination date, the closing price of the common stock on any determination date means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or, if no closing price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or if the common stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the common stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

A “trading day” is a day on which the shares of our common stock:

- are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and

- have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the common stock.

For purposes of this prospectus supplement, all references to the closing price and last reported sale price of the common stock on the NASDAQ Capital Market shall be such closing price and last reported sale price as reflected on NASDAQ’s website (<http://www.nasdaq.com>) or any successor thereto. For purposes of calculating the “closing price” of our common stock, if a business combination (as defined below under “ Business Combinations”) has occurred and (1) the exchange property consists only of shares of common stock, the “closing price” shall be based on the closing per share price of such common stock; (2) the exchange property consists only of cash, the “closing price” shall be the cash amount paid per share; or (3) the exchange property consists of securities, cash and/or other property, the “closing price” shall be based on the sum, as applicable, of (x) the closing price of such common stock, (y) the cash amount paid per share and (z) the value (as determined by our board of directors from time-to-time) of any other securities or property paid to our shareholders in connection with the business combination.

To exercise the mandatory conversion right described above, we must provide a notice of such conversion to each holder of our Series 2011 Preferred Stock or issue a press release for publication and make this information available on our website, if any. The conversion date will be a date selected by us (the “mandatory conversion date”) and will be no more than 20 and not less than 10 days after the date on which we provide such notice of mandatory conversion or issue such press release. In addition to any information required by applicable law or regulation, the notice of mandatory conversion and press release shall state, as appropriate: the mandatory conversion date; the number of shares of our common stock to be issued upon conversion of each share of Series 2011 Preferred Stock; and the number of shares of Series 2011 Preferred Stock to be converted.

Mandatory Conversion After Ten Years. On June 1, 2021, all of the Series 2011 Preferred Stock issued and outstanding at that time shall automatically and mandatorily be converted into shares of our common stock at the then applicable conversion rate. The conversion of the Series 2011 Preferred Stock into common stock at such date shall not be conditioned on the price of our common stock or any other event or occurrence.

Conversion Procedures. Conversion into shares of our common stock will occur on the mandatory conversion date or any applicable conversion date (as defined below). On the mandatory conversion date, shares of our common stock will be issued to you or your designee upon presentation and surrender of the certificate evidencing the Series 2011 Preferred Stock to the conversion agent and upon compliance with some additional procedures described below.

On the date of any conversion at the option of a holder, the holder must do each of the following in order to convert: complete and manually sign the conversion notice provided by the conversion agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the conversion agent;

surrender the shares of Series 2011 Preferred Stock to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

- if required, pay funds equal to any declared and unpaid dividend payable on the next dividend payment date to which such holder is entitled. The date on which a holder complies with the foregoing procedures is the “conversion date.” The conversion agent for the Series 2011 Preferred Stock is initially the transfer agent. A holder may obtain a copy of the required form of the conversion notice from the conversion agent. The conversion agent will, on a holder’s behalf, convert the Series 2011 Preferred Stock into shares of our common stock, in accordance with the terms of the notice delivered by us described above. Payments of cash for dividends and in lieu of fractional shares and, if shares of our common stock are to be delivered, a stock certificate or certificates, will be delivered to the holder, by the conversion agent.

The person or persons entitled to receive the shares of common stock issuable upon conversion of the Series 2011 Preferred Stock will be treated as the record holder(s) of such shares as of the close of business on the applicable conversion date. Prior to the close of business on the applicable conversion date, the shares of common stock issuable upon conversion of the Series 2011 Preferred Stock will not be deemed to be outstanding for any purpose and you will have no rights with respect to the common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the common stock, by virtue of holding the Series 2011 Preferred Stock.

Adjustments to the Conversion Price. We will adjust the conversion rate in the following circumstances:

(1) issuances of our common stock to all or substantially all holders of our common stock as a dividend or distribution, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution

CR_1 = the conversion rate in effect on the ex-dividend date for such dividend or distribution

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution

OS_1 = the number of shares of our common stock that would be outstanding immediately after, and solely as a result of, such dividend or distribution

Any adjustment made pursuant to this clause (1) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the ex-dividend date for such dividend or distribution. If any dividend or distribution described in this clause (1) is declared but not so paid or made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to make such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared. For purposes of this clause (1), the number of shares of our common stock outstanding at 5:00 p.m., Eastern time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution shall not include shares of our common stock held in treasury, if any. We will not pay any dividend or make any distribution on our shares of our common stock held in treasury, if any.

(2) certain subdivisions or combinations of our common stock, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the effective date of such subdivision or combination

CR_1 = the conversion rate in effect on the effective date of such subdivision or combination

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., Eastern Time, on the trading day immediately preceding the effective date of such subdivision or combination

OS_1 = the number of shares of our common stock that would be outstanding immediately after, and solely as a result of, such subdivision or combination

Any adjustment made pursuant to this clause (2) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the effective date of such subdivision or combination.

(3) issuances to all or substantially all holders of our common stock of certain rights (other than rights issued pursuant to a shareholders' rights plans or the 1998 and 2009 stock option plans) or warrants to purchase shares of our common stock at a price less than the current market price (as defined below) of our common stock, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such issuance

CR_1 = the conversion rate in effect on the ex-dividend date for such issuance

OS_0 = the number of shares of our common stock outstanding at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such issuance

X = the total number of shares of our common stock issuable pursuant to such rights or warrants

Y = the number of shares of our common stock equal to the quotient of (x) the aggregate price payable to exercise such rights or warrants divided by (y) the current market price of our common stock

Any adjustment made pursuant to this clause (3) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the ex-dividend date for such issuance. In the event that such rights or warrants described in this clause (3) are not so issued, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to issue such rights or warrants to the conversion rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or shares of our common stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the conversion rate shall be readjusted to the conversion rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of our common stock actually delivered. In determining the aggregate price payable to exercise such rights or warrants, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined by our board of directors). For purposes of this clause (3), the number of shares of our common stock outstanding at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such issuance shall not include shares of our common stock held in treasury, if any. We will not issue any such rights or warrants in respect of shares of our common stock held in treasury, if any.

(4) distributions to all or substantially all holders of our common stock of our capital stock, evidences of our indebtedness or assets, including securities, but excluding:

- any dividends or distributions referred to in clause (1) above;
- the rights and warrants referred to in clause (3) above;
- any dividends or distributions referred to in clause (5) below;

any dividends and distributions in connection with a consolidation, merger, sale, transfer, lease, conveyance, reclassification or statutory exchange resulting in a change in the conversion consideration as described below under “Business Combinations” on page 37 and

any spin-off to which the provisions set forth below in this clause (4) shall apply, in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such distribution

CR_1 = the conversion rate in effect on the ex-dividend date for such distribution

SP_0 = the current market price of our common stock

= the fair market value (as determined by our board of directors), on the ex-dividend date for such distribution, FMV of the shares of capital stock, evidences of indebtedness or assets so distributed, expressed as an amount per share of our common stock

If the transaction that gives rise to an adjustment pursuant to this clause (4) is, however, one pursuant to which the payment of a dividend or other distribution on our common stock consists of shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours (i.e., a spin-off) that are, or, when issued, will be, traded or listed on the NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or any other U.S. national securities exchange or association, then the conversion rate will instead be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such distribution

CR_1 = the conversion rate in effect on the ex-dividend date for such distribution

= the average of the closing prices of the capital stock or similar equity interests distributed to holders of our FMV common stock applicable to one share of our common stock during the 10 consecutive trading day period commencing on, and including, the effective date of the spin-off

MP = the average of the closing prices of our common stock during the 10 consecutive trading day period commencing on, and including, the effective date of the spin-off

Any adjustment made pursuant to this clause (4) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the ex-dividend date for such distribution. In the event that such distribution described in this clause (4) is not so made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such distribution had not been declared. If an adjustment to the conversion rate is required under this clause (4), delivery of any additional shares of our common stock upon conversion of the Series 2011 Preferred Stock will be delayed to the extent necessary in order to complete the calculations provided for in this clause (4).

(5) dividends or other distributions consisting exclusively of cash to all or substantially all holders of our common stock (other than (i) dividends or distributions made in connection with our liquidation, dissolution or winding-up or upon a consolidation, merger, sale, transfer, lease, conveyance, reclassification or statutory exchange resulting in a change in the conversion consideration as described below under “— Business Combinations” on page 37 or (ii) regular cash dividends to the extent that such dividends do not exceed \$0.50 per share on a semi-annual basis or, if applicable, \$0.25 per share on a quarterly basis (the “dividend threshold amount”), in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - DIV}$$

where,

CR₀ = the conversion rate in effect at 5:00 p.m., Eastern Time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution

CR₁ = the conversion rate in effect on the ex-dividend date for such dividend or distribution

SP₀ = the current market price of our common stock

DIV = the amount in cash per share of our common stock that we distribute to holders of our common stock, as determined pursuant to the following sentences. If any adjustment is required to be made as set forth in this clause (5) as a result of a distribution (i) that is a regularly scheduled quarterly dividend, such adjustment would be based on the amount by which such dividend exceeds the dividend threshold amount or (ii) that is not a regularly scheduled quarterly dividend, such adjustment would be based on the full amount of such distribution. The dividend threshold amount is subject to adjustment on an inversely proportional basis whenever the conversion rate is adjusted; provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the conversion rate pursuant to this clause (5).

Any adjustment made pursuant to this clause (5) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the ex-dividend date for such dividend or distribution. In the event that such dividend or distribution described in this clause (5) is not so made, the conversion rate shall be readjusted, effective as of the date our board of directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(6) purchases of our common stock pursuant to a tender offer or exchange offer made by us or any of our subsidiaries for all or any portion of our common stock, to the extent that the cash and the value of any other consideration included in the payment per share of the common stock exceeds the closing price per share of the common stock on the trading day next succeeding the last date, as it may be amended, on which tenders or exchanges may be made pursuant to such tender offer or exchange offer (the “expiration date”), in which event the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{SP_1 \times OS_0}$$

where,

CR_0 = the conversion rate in effect at 5:00 p.m., Eastern Time, on the expiration date

CR_1 = the conversion rate in effect immediately after 5:00 p.m., Eastern Time, on the expiration date

AC = the aggregate value of all cash and any other consideration (as determined by our board of directors), on the expiration date, paid or payable for shares of our common stock validly tendered or exchanged and not withdrawn as of the expiration date

OS_1 = the number of shares of our common stock outstanding immediately after the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the “expiration time”)

OS_0 = the number of shares of our common stock outstanding immediately before the expiration time

SP_1 = the average closing price per share of our common stock during the 10 consecutive trading day period commencing on the trading day immediately after the expiration date

Any adjustment made pursuant to this clause (6) shall become effective immediately prior to 9:00 a.m., Eastern Time, on the trading day immediately following the expiration date. In the event that we are, or one of our subsidiaries is, obligated to purchase shares of our common stock pursuant to any such tender offer or exchange offer, but we are, or such subsidiary is, permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the conversion rate shall be readjusted to be the conversion rate that would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this clause (6) to any tender offer or exchange offer would result in a decrease in the conversion rate, no adjustment shall be made for such tender offer or exchange offer under this clause (6). If an adjustment to the conversion rate is required pursuant to this clause (6), delivery of any additional shares of our common stock upon conversion of the Series 2011 Preferred Stock will be delayed to the extent necessary in order to complete the calculations provided for in this clause (6).

The term “ex-dividend date,” when used with respect to any such issuance, dividend or distribution, means the first date on which shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution. The term “current market price” means the average closing price of our common stock during the 10 consecutive trading day period ending on the trading day immediately preceding the “ex-dividend date” with respect to the issuance, dividend or distribution requiring such computation. Notwithstanding the foregoing, whenever successive anti-dilution adjustments to the conversion rate are called for, such adjustments shall be made to the current market price as may be necessary or appropriate to effectuate the intent of the anti-dilution adjustments and to avoid unjust or inequitable results as determined by our board of directors.

If during a period applicable for calculating the closing price of our common stock, an event occurs that requires an adjustment to the conversion rate, the closing price shall be calculated for such period in a manner determined by us to appropriately reflect the impact of such event on the price of our common stock during such period. Whenever any provision requires a calculation of an average of closing prices of our common stock over multiple days, appropriate adjustments shall be made to account for any adjustment to the conversion rate that becomes effective or any event requiring an adjustment to the conversion rate where the ex-dividend date of the event occurs, at any time during the period during which the average is to be calculated.

To the extent that we have a rights plan in effect with respect to the common stock on any conversion date, upon conversion of any shares of the Series 2011 Preferred Stock, you will receive, in addition to the shares of our common stock, the rights under the rights plan, unless, prior to such conversion date, the rights have separated from the shares of our common stock, in which case the conversion rate will be adjusted at the time of separation as if we made a distribution to all or substantially all holders of our common stock as described in clause (4) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In cases where the fair market value of shares of capital stock, evidences of indebtedness, assets (including cash) or securities, including with respect to a spin-off, as to which clauses (4) and (5) above apply, applicable to one share of common stock, distributed to holders of common stock:

- (1) equals or exceeds the current market price of the common stock; or
- (2) the current market price of the common stock exceeds the fair market value of shares of capital stock, evidences of indebtedness, assets (including cash) or securities so distributed by less than \$1.00,

rather than being entitled to an adjustment in the conversion rate, the holder shall be entitled to receive upon conversion, in addition to the shares of common stock, the kind and amount of shares of capital stock, evidences of indebtedness, assets (including cash) or securities comprising the distribution that such holder would have received if such holder’s Series 2011 Preferred Stock had been converted immediately prior to the record date for determining the holders of common stock entitled to receive the distribution.

Except as stated above, we will not adjust the conversion rate for the issuance of our common stock or any securities convertible into or exchangeable for our common stock or carrying the right to purchase any of the foregoing. No adjustment to the conversion rate will be made if holders may participate in the transaction that would otherwise give rise to such adjustment as a result of holding the preferred stock, without having to convert the preferred stock, as if they held the full number of shares of our common stock into which a share of the preferred stock may then be converted.

If a taxable distribution to holders of our common stock or other transaction occurs that results in any adjustment of the conversion rate (including an adjustment at our option), you may, in certain circumstances, be deemed to have received a distribution subject to U.S. income tax as a dividend. In certain other circumstances, the absence of an adjustment may result in a taxable dividend to the holders of our common stock. We may from time to time, to the extent permitted by law and subject to the applicable rules of the NASDAQ Capital Market, increase the conversion rate of the preferred stock by a specified amount for a period of at least 20 business days. In that case, we will give at least 15 calendar days' prior notice of such increase. We may also make such increases in the conversion rate, in addition to those set forth above, as our board of directors deems advisable to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of common stock (or rights to acquire common stock) or from any event treated as such for income tax purposes.

Certain continued listing standards of the NASDAQ Capital Market potentially limit the amount by which we may increase the conversion rate. These standards generally require us to obtain the approval of our stockholders before entering into certain transactions that potentially result in the issuance of 20% or more of our outstanding common stock under certain circumstances. Accordingly, we will not increase the conversion rate as described above beyond the maximum level permitted by these continued listing standards. However, we covenant not to enter into any transaction, or take any other action, that will require an adjustment to the conversion rate that would exceed the number of shares of our common stock that would require stockholder approval under the continued listing standards of the Nasdaq Capital Market without having obtained prior stockholder approval.

We will be required, as soon as practicable after the conversion rate is adjusted, to provide or cause to be provided written notice of the adjustment to be sent to the conversion agent and to DTC and make this information available on our website. We will also be required to deliver a statement setting forth in reasonable detail the method by which the adjustment to the conversion rate was determined and setting forth the revised conversion rate.

Business Combinations. In the event of any reclassification of our outstanding shares of common stock (other than a change in par value), or in the event of any consolidation, merger or share exchange of Summit with or into another entity or any merger or consolidation of another entity with or into Summit, other than a consolidation, merger or share exchange in which Summit is the resulting or surviving entity and which does not result in any reclassification of the outstanding common stock (other than a change in par value), or in the event of any sale, lease or other disposition to another entity of all or substantially all of our assets, other than to one or more of our subsidiaries (any of the foregoing considered a "business combination") each share of the Series 2011 Preferred Stock then outstanding shall be convertible, at the option of the holder, or pursuant to and in accordance with our conversion option, into the kind and amount of securities (of Summit or another issuer), cash and other property receivable upon such reclassification or business combination by a holder of the number of shares of common stock into which such shares of the Series 2011 Preferred Stock could have been converted immediately prior to such reclassification or business combination, after giving effect to any adjustment event. These provisions apply to successive reclassifications or business combinations. The right of a holder of Series 2011 Preferred Stock to convert the holder's shares of Series 2011 Preferred Stock into common stock prior to the effective date of a reclassification or business combination shall not be affected by this provision. Holders of Series 2011 Preferred Stock shall have no right to vote with respect to such reclassification or business combination, except as specifically required by West Virginia law. See " Voting Rights" on page 39 below.

We may enter into a business combination but in such event: the shares of the Series 2011 Preferred Stock (unless converted) will become shares of such survivor, successor, transferee or lessee, having in respect of such survivor, successor, transferee or lessee the same powers, preferences and relative participating, optional or other special rights and the qualification, limitations or restrictions thereon, that the shares of the Series 2011 Preferred Stock had immediately prior to such transaction; and we must deliver to the transfer agent an officer's certificate and an opinion of counsel stating that such transaction complies with the certificate of designation.

Upon our consummation of a business combination, the successor resulting from such business combination will succeed to, and be substituted for, and may exercise every right and power of ours under the shares of the Series 2011 Preferred Stock, and thereafter, the predecessor (if still in existence) will be released from its obligations and covenants with respect to the Series 2011 Preferred Stock.

Fractional Shares. No fractional shares of our common stock will be issued to holders of the Series 2011 Preferred Stock upon conversion. In lieu of any fractional shares of common stock otherwise issuable in respect of the aggregate number of shares of the Series 2011 Preferred Stock of any holder that are converted, that holder will be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the closing price per share of our common stock determined as of the second trading day immediately preceding the effective date of conversion.