

FIRST COMMUNITY BANK CORPORATION # 101

OF AMERICA

March 2, 2009

Neil M. Barofsky
Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Avenue, N.W., Suite 1064
Washington, D.C. 20220

Dear Mr. Barofsky:

We are writing in response to your letter dated February 6, 2009. Of the \$10.685 million in funds received from the United States Department of the Treasury ("UST"), \$4 million has been contributed as capital to our wholly-owned subsidiary, First Community Bank of America ("Bank"). Since then, the Bank has utilized this capital to support \$10 million in new loans and to increase the Allowance for Loan and Lease Losses by \$4.1 million. The capital moved to the Bank offset fourth quarter losses resulting from increasing the loan loss reserve from 1.17% to 2% at year-end. The resulting capital ratios declined as follows: (i) Tier 1 Leverage Ratio from 7.69% to 7.27%; (ii) Total Risk Based Capital Ratio from 11.28% to 11.07%; and (iii) Tier 1 Risk Based Capital Ratio from 10.28% to 9.86%. The remaining \$8.65 million in capital has been retained at the holding company. Of these funds, \$77,000 was used to pay the first quarter dividend to the UST and the remainder is expected to be used to fund future dividends to the UST and to be down-streamed to the Bank to support future loans or to supplement capital in the event of future reserves or losses. As a result of these changes, the Bank is stronger and more stable than before the capital contribution.

With respect to executive compensation, our compensation levels have always been modest and remain so. No bonuses or incentive compensation were paid to our executive officers for 2008. Any future bonuses or incentive compensation will be based significantly around profitability and expense management, as opposed to unbridled growth or other measures that encourage risk taking. The Compensation Committee of our Board of Directors (comprised solely of independent directors) will be responsible for designing or granting any bonus or incentive compensation payments and will take into account present and future restrictions on executive compensation imposed by law or regulation. With respect to previous compensation arrangements, each of our Senior Executive Officers entered into a letter agreement at closing; the form of which is enclosed.

As requested, a copy of the body of the Form 8-K filed with the Securities and Exchange Commission related to the UST's investment is enclosed.

In conclusion, the undersigned hereby certifies, to the best of the undersigned's knowledge, the accuracy of all statements, representations, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Sincerely,



Stan B. McClelland
Chief Financial Officer

Enclosures

UST 296

FIRST COMMUNITY BANK CORPORATION OF AMERICA

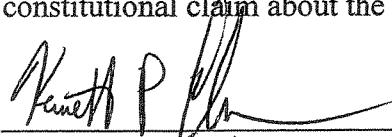
WAIVER

DECEMBER 23, 2008

In consideration for the benefits I will receive as a result of my employer's participation in the United States Department of the Treasury's TARP Capital Purchase Program, I hereby voluntarily waive any claim against the United States or my employer for any changes to my compensation or benefits that are required to comply with the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.

I acknowledge that this regulation may require modification of the compensation, bonus, incentive and other benefit plans, arrangements, policies and agreements (including so-called "golden parachute" agreements) that I have with my employer or in which I participate as they relate to the period the United States holds any equity or debt securities of my employer acquired through the TARP Capital Purchase Program.

This waiver includes all claims I may have under the laws of the United States or any state related to the requirements imposed by the aforementioned regulation, including without limitation a claim for any compensation or other payments I would otherwise receive, any challenge to the process by which this regulation was adopted and any tort or constitutional claim about the effect of these regulations on my employment relationship.



Kenneth P. Cherven

December 23, 2008
Date

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Stan B. McClelland

December 23, 2008

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FIRST COMMUNITY BANK CORPORATION OF AMERICA

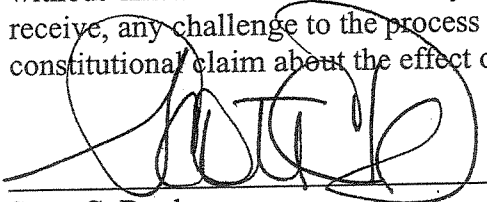
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Scott C. Boyle.

December 23, 2008

Date

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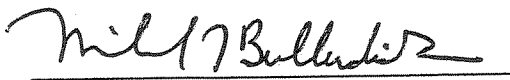
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Michael J. Bullerdick

December 23, 2008
Date

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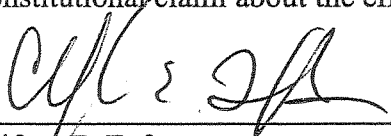
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Clifton E. Tufts

December 23, 2008
Date



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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 23, 2008

FIRST COMMUNITY BANK CORPORATION OF AMERICA

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

000-50357
(Commission File Number)

65-0623023
(IRS Employer
Identification No.)

9001 Belcher Road, Pinellas Park, Florida
(Address of principal executive offices)

33782
(Zip Code)

Registrant's telephone number, including area code: (727) 520-0987

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



- Item 1.01 Entry into a Material Definitive Agreement
- Item 3.02 Unregistered Sales of Equity Securities.
- Item 3.03 Material Modification of the Rights of Security Holders.
- Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.
- Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.
- Item 7.01 Regulation FD Disclosure

On December 23, 2008, pursuant to the Troubled Asset Relief Program Capital Purchase Program ("CPP"), First Community Bank Corporation of America (the "Company") agreed to issue and sell, and the United States Department of the Treasury (the "UST") agreed to purchase: (a) 10,685 shares (the "Preferred Shares") of Company Fix Rate Cumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share, and (b) a ten-year warrant (the "Warrant") to purchase up to 228,312 shares of Company common stock (the "Common Stock"), at an exercise price of \$7.02 per share.

On December 18, 2008, the Company filed with the Division of Corporations, Secretary of State of Florida an amendment to its Articles of Incorporation establishing the terms of the Preferred Shares. A copy of the amendment is included as an exhibit hereto and is incorporated by reference into Item 5.03.

The issuance and sale also closed on December 23, 2008 (the "Closing Date") and was exempt from registration as a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended. The purchase price for the Preferred Shares and the Warrant was \$10,685,000, or \$1,000 per Preferred Share.

Cumulative dividends on the Preferred Shares will accrue on the purchase price at an annual rate of 5% per year for the first five years and at an annual rate of 9% thereafter, but will be paid only if and when declared by the Company's Board of Directors. The Preferred Shares have no maturity date and rank senior to the Common Stock (and *pari passu* with any other Company senior preferred stock, of which no shares are currently outstanding) with respect to the payment of dividends, distributions and amounts payable upon liquidation, dissolution and winding up of the Company. Subject to the approval of the Board of Governors of the Federal Reserve System, the Preferred Shares are redeemable at the option of the Company at 100% of their liquidation preference, provided that the Preferred Shares may be redeemed prior to the first dividend payment date after December 23, 2013 only if: (a) the Company has raised aggregate gross proceeds in excess of \$1,671,250 in equity offerings that qualify pursuant to the terms of the CPP; and (b) the aggregate redemption price does not exceed the aggregate net proceeds from such qualified equity offerings.

The UST may not transfer any portion of the Warrant covering, or exercise the Warrant for more than one-half of, the 228,312 shares of Common Stock underlying the Warrant until the earlier of: (a) the date on which the Company has received aggregate gross proceeds of not less than \$1,671,250 from qualified equity offerings; and (b) December 31, 2009. In the event the Company completes qualified equity offerings on or prior to December 31, 2009 raising gross proceeds of at least \$1,671,250, the number of shares of Common Stock underlying the Warrant will be reduced by one-half. Pursuant to the CPP, a qualified equity offering is the sale and issuance for cash by the Company to persons other than the Company or any Company subsidiary of securities that qualify as Tier 1 capital for the Company at the time of issuance.



The CPP imposes limitations on the payment of dividends on the Common Stock and on the Company's ability to repurchase its Common Stock, and subjects the Company to executive compensation limitations included in the Emergency Economic Stabilization Act of 2008. As a condition to the closing of the transaction, each of Chief Executive Officer Kenneth P. Cherven, Chief Financial Officer Stan B. McClelland, Regional President – Pinellas County Scott C. Boyle, Regional President – Charlotte County Michael J. Bullerdick and Executive Vice President Clifton E. Tufts: (a) executed a waiver voluntarily waiving any claim against the UST or the Company for any changes to such officer's compensation or benefits that are required to comply with the regulations issued by the UST under the CPP and acknowledging that the regulation may require modification of the compensation arrangements and agreements (including so-called "golden parachute" agreements) as they relate to the period the UST holds any securities of the Company acquired through the CPP; and (b) entered into a Capital Purchase Program Compliance Agreement with the Company so amending such compensation arrangements and agreements.

Copies of the securities and agreements described above are incorporated by reference into Items 1.01, 3.02, 3.03, 5.02, 5.03 and 7.01 and the foregoing summary of certain provisions of those documents is qualified in its entirety by reference thereto.

Item 9.01 Financial Statements and Exhibits.

Exhibits

The following exhibits are filed as part of this Report on Form 8-K:

- 3.1 Articles of Amendment to the Articles of Incorporation authorizing the Preferred Shares.
- 4.1 Form of Certificate for Fixed Rate Cumulative Perpetual Preferred Stock, Series A
- 4.2 Warrant to Purchase up to 228,312 shares of Common Stock
- 10.1 Letter Agreement, dated December 23, 2008 between the Company and the United States Department of the Treasury
- 10.2 Form of Waiver
- 10.3 Form of Compliance Agreement
- 10.4 Securities Purchase Agreement – Standard Terms between the Company and the United States Department of the Treasury.



SIGNATURES

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

Date: December 23, 2008

FIRST COMMUNITY BANK CORPORATION OF AMERICA

 (Registrant)

/s/ Kenneth P. Cherven
Kenneth P. Cherven
Chief Executive Officer