BALL CORP
Form 4
February 06, 2015

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
STRAIN ROBERT D

(Last) (First) (Middle)

BALL CORPORATION, 10 LONGS PEAK DRIVE

(Street)

BROOMFIELD, CO 80021

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
BALL CORP [BLL]

3. Date of Earliest Transaction (Month/Day/Year)
02/04/2015

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Sr. VP BallCorp & Pres. BATC

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

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title a Underly (Instr. 3

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8) Code	V	Disposed of (D) (Instr. 3, 4, and 5) (A)	(D)	Date Exercisable	Expiration Date	Title
Restricted Stock Units	(1)	02/04/2015		J(2)			3,000	(2)	(2)	Comm Stoc
Deferred Compensation Company Stock Plan	(3)	02/04/2015		J(4)		3,302.3432		(5)	(5)	Comm Stoc
Restricted Stock Units	(1)	02/04/2015		A(6)		16,197		(6)	(6)	Comm Stoc
Stock Appreciation Rights (sars)	$ 66.15	02/04/2015		A(7)		3,477		02/04/2016	02/04/2025	Comm Stoc

Reporting Owners

Reporting Owner Name / Address	Relationships Director	10% Owner	Officer	Other
STRAIN ROBERT D BALL CORPORATION 10 LONGS PEAK DRIVE BROOMFIELD, CO 80021			Sr. VP BallCorp & Pres. BATC	

Signatures

/s/ Robert W. McClelland, attorney-in-fact for Mr. Strain	02/06/2015
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- **(1)** Each restricted stock unit represents a contingent right to receive one share of Ball Corporation Common Stock.
- **(2)** Lapse of restricted stock units.
- **(3)** Each unit may be settled for a single share of stock or the equivalent amount of cash pursuant to the Ball Corporation Deferred Compensation Company Stock Plan.
- **(4)** Lapse of restricted stock units deferred into Ball Corporation's Deferred Compensation Company Stock Plan and may include company match.
- **(5)** Stock Units in Ball Corporation's Deferred Compensation Company Stock Plan are distributed upon the separation of service in accordance with the Plan.
- **(6)** Restricted Stock Units awarded under the Ball Corporation Stock and Cash Incentive Plan.
- **(7)** SARs (Stock Appreciation Rights) granted under the Ball Corporation Stock and Cash Incentive Plan. The stock appreciation rights vest in four annual installments beginning one year after date of grant.

 18.6% 478,596 19.2% 451,282 18.2%

Money market	582,040	24.7%	609,502	24.4%	593,301	24.0%
Savings	121,845	5.2%	115,324	4.6%	118,347	4.8%
Certificates of deposit less than $100,000	304,310	12.9%	324,734	13.0%	325,739	13.1%
Total core deposits	1,944,779	82.6%	1,996,393	79.9%	1,963,269	79.2%
Certificates of deposit greater than $100,000	333,579	14.2%	428,885	17.2%	453,284	18.3%
Wholesale certificates of deposit (CDARS®)	15,233	0.6%	762	0.0%	760	0.0%
Wholesale certificates of deposit	62,230	2.6%	72,021	2.9%	60,481	2.4%
Total deposits	$2,355,821	100.0%	$2,498,061	100.0%	$2,477,794	100.0%

Borrowings

We rely on FHLB advances as another source of both short and long-term borrowings. FHLB advances are secured by one-to-four family real estate mortgages and certain other assets. At September 30, 2008, we had FHLB advances of $301 million, compared to advances of $257.7 million at December 31, 2007.

We also utilize wholesale repurchase agreements as a supplement to our funding sources. Wholesale repurchase agreements are secured by mortgage-backed securities. At September 30, 2008, we had repurchase agreements of $25.0 million compared to $0 at December 31, 2007. Management anticipates that we will continue to rely on both FHLB advances and wholesale repurchase agreements in the future, and we will use those funds primarily to make loans and purchase securities.

During 2001, the Company, through a special purpose trust (“the Trust”) participated in a pooled trust preferred offering, whereby the Trust issued $22.0 million of 30 year floating rate capital securities. The capital securities constitute guaranteed preferred beneficial interests in debentures issued by the Trust. The debentures had an initial rate of 7.29% and a rate of 6.38% at September 30, 2008. The floating rate is based on the 3-month LIBOR plus 3.58% and is adjusted quarterly. Through the Trust, we may call the debentures at any time for a premium and after ten years at par, allowing us to retire the debt early if market conditions are favorable. Through recent acquisition, the Company assumed an additional $3.0 million in floating rate trust preferred obligations; these debentures had a rate of 6.54% at September 30, 2008. The floating rate is based on the 3-month LIBOR plus 3.75% and is adjusted quarterly.

The trust preferred obligations are classified as long-term subordinated debt and our related investment in the Trust is recorded in other assets on the consolidated balance sheets. The balance of the long-term subordinated debt was $25.6 million at September 30, 2008 and $25.5 million at December 31, 2007. The subordinated debt payable to the Trust is on the same interest and payment terms as the trust preferred obligations issued by the Trust.

Additionally, we have a $20.0 million line of credit with a large commercial bank with an interest rate indexed to LIBOR. The outstanding balance on the line of credit was $20.0 million at September 30, 2008 and $5.0 million at December 31, 2007. The line matures on June 30, 2009 and, if not renewed, any principle balance outstanding is due at maturity.

Contractual Obligations & Commitments

We are party to many contractual financial obligations, including repayment of borrowings, operating and equipment lease payments, commitments to extend credit and investments in affordable housing partnerships. At September 30, 2008, we had commitments to extend credit of $729.7 million compared to $857.6 million at December 31, 2007.

Capital Resources

Shareholders' equity at September 30, 2008 was $336.4 million, down $5.3 million, or 1.5% from $341.7 million at December 31, 2007. The decrease is due primarily to cash dividends paid of $9.2 million and offset by net income of $4.2 million for the first nine months of 2008. Shareholders' equity was 10.8% of total period-end assets at September 30, 2008 and December 31, 2007.

Capital Ratios: Banking regulations require bank holding companies to maintain a minimum "leverage" ratio of core capital to adjusted quarterly average total assets of at least 3%. In addition, banking regulators have adopted risk-based capital guidelines, under which risk percentages are assigned to various categories of assets and off-balance sheet items to calculate a risk-adjusted capital ratio. Tier I capital generally consists of common shareholders' equity and trust preferred obligations, less goodwill and certain identifiable intangible assets, while Tier II capital includes the allowance for loan losses and subordinated debt, both subject to certain limitations. Regulatory minimum risk-based capital guidelines require Tier I capital of 4% of risk-adjusted assets and total capital (combined Tier I and Tier II) of 8% to be considered "adequately capitalized".

Federal Deposit Insurance Corporation regulations set forth the qualifications necessary for a bank to be classified as "well capitalized", primarily for assignment of FDIC insurance premium rates. To qualify as "well capitalized," banks must have a Tier I risk-adjusted capital ratio of at least 6%, a total risk-adjusted capital ratio of at least 10%, and a leverage ratio of at least 5%. Failure to qualify as "well capitalized" can negatively impact a bank's ability to expand and to engage in certain activities.

The Company and its subsidiaries qualify as "well-capitalized" at September 30, 2008 and December 31, 2007.

	Company		Columbia Bank		Requirements	
	9/30/2008	12/31/2007	9/30/2008	12/31/2007	Adequately capitalized	Well-Capitalized
Total risk-based capital ratio	11.24%	10.90%	11.14%	10.49%	8%	10%
Tier 1 risk-based capital ratio	9.99%	9.87%	9.89%	9.47%	4%	6%
Leverage ratio	8.52%	8.54%	8.45%	8.23%	4%	5%

Application for U.S. Treasury Capital Purchase Program

Subsequent to quarter-end, the Company received preliminary approval from the U.S. Department of Treasury to receive additional capital by participating in the Treasury Department's Capital Purchase Program. As a participant in the program, Columbia could issue to the U.S. Treasury up to $76.9 million in senior preferred shares and related warrants. Receipt of the funding is subject to Columbia's acceptance of the terms of the agreement, satisfaction of closing conditions and registration with the Securities and Exchange Commission.

Stock Repurchase Program

In March 2002 the Board of Directors approved a stock repurchase program whereby the Company may systematically repurchase up to 500,000 of its outstanding shares of common stock. The Company may repurchase shares from time to time in the open market or in private transactions, under conditions which allow such repurchases to be accretive to earnings while maintaining capital ratios that exceed the guidelines for a well-capitalized financial institution. As of September 30, 2008 we have repurchased 64,788 shares of common stock in this current stock repurchase program, none of which was repurchased in the period covered by this report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A number of measures are used to monitor and manage interest rate risk, including income simulations and interest sensitivity (gap) analyses. An income simulation model is the primary tool used to assess the direction and magnitude of changes in net interest income resulting from changes in interest rates. Basic assumptions in the model include prepayment speeds on mortgage-related assets, cash flows and maturities of other investment securities, loan and deposit volumes and pricing. These assumptions are inherently subjective and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors. At September 30, 2008, based on the measures used to monitor and manage interest rate risk, there has not been a material change in the Company's interest rate risk since December 31, 2007. For additional information, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operation" referenced in the Company's 2007 Annual Report on Form 10-K.

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Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company’s management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934). Based on that evaluation, the CEO and CFO have concluded that as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is (i) accumulated and communicated to our management (including the CEO and CFO) to allow timely decisions regarding required disclosure, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Changes in Internal Controls Over Financial Reporting

There was no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company and its banking subsidiaries are parties to routine litigation arising in the ordinary course of business. Management believes that, based on the information currently known to them, any liabilities arising from such litigation will not have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Item 1A. RISK FACTORS

Our business exposes us to certain risks. The following is a discussion of what we currently believe are the most significant risks and uncertainties that may affect our business, financial condition and future results.

We cannot predict the effect of the national economic situation on our future results of operations or stock trading price.

The national economy, and the financial services sector in particular, is currently facing challenges of a scope unprecedented in recent history. No one can predict the severity or duration of this downturn. We cannot predict whether, or the extent to which, the more severe regional and local economic downturns that have affected other areas of the country may also occur to the same degree in the markets we serve. Any such further deterioration in our markets could have an adverse effect on our business, financial condition, results of operations and prospects, as discussed in the following risk factors, and could also cause the trading price of our stock to decline.

We cannot predict the effect of the recently enacted federal rescue plan.

Congress recently enacted the Emergency Economic Stabilization Act of 2008, which is intended to stabilize the financial markets, including providing funding of up to $700 billion to purchase troubled assets and loans from financial institutions and increasing the amount of account insurance coverage from $100,000 to $250,000. Most recently, the federal government agreed to invest $125 billion in preferred stock of nine U.S. financial institutions, and to make available up to another $125 billion for investment in preferred stock of other U.S. financial institutions, on certain terms and conditions. The full effect of this wide-ranging legislation on the national economy and financial institutions, particularly on mid-sized institutions like us, cannot now be predicted.

Our ability to access markets for funding and acquire and retain customers could be adversely affected to the extent the financial services industry's reputation is damaged.

Reputation risk is the risk to liquidity, earnings and capital arising from negative publicity regarding the financial services industry. The financial services industry continues to be featured in negative headlines about the global credit crisis and the resulting stabilization legislation enacted by the U.S. federal government. These reports can be damaging to the industry's image and potentially erode consumer confidence in insured financial institutions, such as our banking subsidiary.

We have a high concentration of loans secured by real estate.

We have a high concentration of loans secured by real estate. While the concentration is spread amongst varying types of commercial real estate loans, with permanent commercial real estate loans being the largest exposure, our construction and land development loans currently carry a higher degree of risk, and a continued downturn in the real estate market, for any reason, will hurt our business and prospects. In particular, we could be exposed to additional risk of losses from real estate related loans. Business activities and credit exposure are concentrated in loans secured by real estate. A further downturn in the economies or real estate values in the markets we serve could have a material adverse effect on borrowers' ability to repay their loans, as well as the value of the real property held as collateral securing such loans. Our ability to recover on defaulted loans by foreclosing and selling the real estate collateral would then be diminished and we would be more likely to suffer losses on defaulted loans.

Our loan portfolio mix could result in increased credit risk in an economic downturn.

Our loan portfolio, is concentrated in permanent commercial real estate loans, commercial business and real estate construction loans, including acquisition and development loans related to the for sale housing industry. These types of loans generally are viewed as having more risk of default than residential real estate loans or certain other types of loans or investments. In fact, the FDIC has issued pronouncements alerting banks of its concern about banks with a heavy concentration of commercial real estate loans. These types of loans also typically are larger than residential real estate loans and other commercial loans. Because our loan portfolio contains a significant number of commercial business and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans may cause a significant increase in our non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses, or an increase in loan charge-offs, which could have an adverse impact on the results of operations and financial condition.

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Changes in economic conditions, in particular a further economic slowdown in Washington and/or Oregon, could hurt the banking business generally.

Our business is directly affected by factors such as economic, market and political conditions in our service areas, broad trends in industry and finance, legislative and regulatory changes, changes in government monetary and fiscal policies and inflation, all of which are beyond our control. We have experienced recent declines in economic indicators and real estate values in several of the markets we serve. A further deterioration in economic conditions in Washington and/or Oregon could result in the following consequences, any of which could have an adverse impact on our prospects, results of operations and financial condition:

- loan delinquencies may increase further;
- problem assets and foreclosures may increase;
- collateral for loans made may decline in value, in turn reducing customers' borrowing power, reducing the value of assets and collateral associated with existing loans;
- demand for banking products and services may decline; and
- low cost or non-interest bearing deposits may decrease.

Our Allowance for Loan and Lease Losses (ALLL) may not be adequate to cover actual loan losses, which could adversely affect earnings.

We maintain an ALLL in an amount that we believe is adequate to provide for losses inherent in our loan and lease portfolio. While we strive to carefully monitor credit quality and to identify loans that may become non-performing, at any time there are loans in the portfolio that will result in losses that have not been identified as non-performing or potential problem loans. In the quarter ended September 30, 2008, non-performing loans as a percentage of total loans increased to 3.47%, up from 0.63% for the year ended December 31, 2007. We cannot be sure that we will be able to identify deteriorating loans before they become non-performing assets, or that we will be able to limit losses on those loans that have been identified. As a result, future significant increases to the ALLL may be necessary. Additionally, future increases to the ALLL may be required based on changes in the composition of the loans comprising the portfolio, deteriorating values in underlying collateral (most of which consists of real estate) and changes in the financial condition of borrowers, such as may result from changes in economic conditions, or as a result of incorrect assumptions by management in determining the ALLL. Additionally, federal banking regulators, as an integral part of their supervisory function, periodically review our ALLL. These regulatory agencies may require us to increase the ALLL which could have a negative effect on our financial condition and results of operation.

Fluctuating interest rates can adversely affect our profitability.

Our profitability is dependent to a large extent upon net interest income, which is the difference (or "spread") between the interest earned on loans, securities and other interest-earning assets and interest paid on deposits, borrowings, and other interest-bearing liabilities. Because of the differences in maturities and repricing characteristics of our interest-earning assets and interest-bearing liabilities, changes in interest rates do not produce equivalent changes in interest income earned on interest-earning assets and interest paid on interest-bearing liabilities. Accordingly, fluctuations in interest rates could adversely affect our interest rate spread, and, in turn, our profitability. We cannot provide assurance that we can minimize interest rate risk. In addition, interest rates also affect the amount of money we can lend. When interest rates rise, the cost of borrowing also increases. Accordingly, changes in levels of market interest rates could materially and adversely affect our net interest spread, asset quality, loan origination volume, business and prospects.

A continued tightening of the credit market may make it difficult to obtain available money to fund loan growth, which could adversely affect our earnings.

A tightening of the credit market and the inability to obtain adequate money to fund continued loan growth may negatively affect asset growth and, therefore, earnings capability. In addition to any deposit growth, maturity of investment securities and loan payments, we also rely on alternative funding sources through correspondent banking and a borrowing line with the FHLB of Seattle and the Federal Reserve Bank to fund loans. In the event of a downturn in the economy, particularly in the housing market, these resources could be negatively affected, which would limit the funds available to us.

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We may grow through future acquisitions, which could, in some circumstances, adversely affect our profitability measures.

We may engage in selected acquisitions of financial institutions in the future. There are risks associated with our acquisition strategy that could adversely impact our profitability. These risks include, among others, incorrectly assessing the asset quality of a particular institution being acquired, encountering greater than anticipated costs of incorporating acquired businesses into our company, and being unable to profitably deploy funds acquired in an acquisition. Furthermore, we cannot provide any assurance as to the extent to which we can continue to grow through acquisitions.

We anticipate issuing capital stock in connection with additional acquisitions. These acquisitions and related issuances of stock may have a dilutive effect on earnings per share and the percentage ownership of current shareholders. We do not currently have any definitive understandings or agreements for any acquisitions that involve the issuance of our capital stock. However, we may continue to expand through acquisitions in the future.

Competition in our market areas may limit our future success.

Commercial banking is a highly competitive business. We compete with other commercial banks, savings and loan associations, credit unions, finance, insurance and other non-depository companies operating in our market areas. We are subject to substantial competition for loans and deposits from other financial institutions. Some of our competitors are not subject to the same degree of regulation and restriction as we are. Some of our competitors have greater financial resources than we do. If we are unable to effectively compete in our market areas, our business, results of operations and prospects could be adversely affected.

The FDIC has increased insurance premiums to rebuild and maintain the federal deposit insurance fund.

Based on recent events and the state of the economy, the FDIC has increased federal deposit insurance premiums beginning in the first quarter of 2009 to double what we originally paid. The increase of these premiums will add to our cost of operations and could have a significant impact on the Company. Further, depending upon any future losses that the FDIC insurance fund may suffer, there can be no assurance that there will not be additional premium increases in order to replenish the fund.

We operate in a highly regulated environment and may be adversely affected by changes in federal, state and local laws and regulations.

We are subject to extensive regulation, supervision and examination by federal and state banking authorities. Any change in applicable regulations or federal, state or local legislation could have a substantial impact on us and our operations. Additional legislation and regulations that could significantly affect our powers, authority and operations may be enacted or adopted in the future, which could have a material adverse effect on our financial condition and results of operations. Further, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws by financial institutions and holding companies in the performance of their supervisory and enforcement duties. The exercise of regulatory authority may have a negative impact on our results of operations and financial condition.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Item 5. OTHER INFORMATION

None.

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Item 6. EXHIBITS

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

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

32 Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURES

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

	COLUMBIA BANKING SYSTEM, INC.	
Date: November 7, 2008	By	/s/ MELANIE J. DRESSEL Melanie J. Dressel President and Chief Executive Officer (Principal Executive Officer)
Date: November 7, 2008	By	/s/ GARY R. SCHMINKEY Gary R. Schminkey Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: November 7, 2008	By	/s/ CLINT E. STEIN Clint E. Stein Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)