PINNACLE FINANCIAL PARTNERS INC
Form 11-K
June 29, 2010

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

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

OR

o **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-31225

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Pinnacle Financial Partners, Inc. 401(k) Plan

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

, INC.

150 3rd Avenue South, Suite 900, Nashville, Tennessee 37201

(Address of principal executive offices) (Zip Code)

PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Financial Statements and Supplemental Schedule
December 31, 2009 and 2008
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Report of Independent Registered Public Accounting Firm

To the Plan Administrator of
the Pinnacle Financial Partners, Inc. 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of the Pinnacle Financial Partners, Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the 2009 basic financial statements but is supplementary information required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements as of and for the year ended December 31, 2009, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Rayburn, Bates & Fitzgerald, PC
Brentwood, Tennessee
June 24, 2010

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PINNACLE FINANCIAL PARTNERS, Inc 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

	2009	2008
Assets		
Investments, at fair value (note 4)	$ 34,264,684	$ 29,398,741
Total assets	$ 34,264,684	$ 29,398,741
Net Assets		
Net assets available for benefits	$ 34,264,684	$ 29,398,741

See accompanying notes to financial statements.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2009 and 2008

	2009	2008
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net depreciation in fair value of investments (note 4)	$ (5,696,934)	$ (1,453,803)
Interest and dividends	244,954	470,864
	(5,451,980)	(982,939)
Contributions:		
Participants	3,327,250	2,979,709
Employer	1,864,514	1,646,605
Participant rollovers	91,264	160,032
	5,283,028	4,786,346
Transfers into Plan related to merger (note 13)	5,963,881	5,133,757
Total additions	5,794,929	8,937,164
Deductions from net assets attributed to:		
Benefits paid to participants	925,075	2,943,334
Other deductions	3,911	
Total deductions	928,986	2,943,334
Net increase	4,865,943	5,993,830
Net assets available for benefits:		
Beginning of year	29,398,741	23,404,911
End of year	$ 34,264,684	$ 29,398,741

See accompanying notes to financial statements.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(1) Plan Description:

The following description of the Pinnacle Financial Partners, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan s provisions.

General: The Plan is a defined contribution plan covering all employees of Pinnacle National Bank (the Sponsor) and its subsidiaries who are employed during such plan year and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute up to 50% of pretax annual eligible compensation up to the maximum amount allowed by the Internal Revenue Service, as defined in the Plan. Eligible compensation is defined as all income excluding fringe benefit income and income from stock appreciation rights, nonqualified stock options, incentive stock options, restricted stock awards and bonuses except for incentive bonuses, unless the associate elects otherwise. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers mutual funds and Pinnacle Financial Partners, Inc. common stock.

The Sponsor contributes 100% of the first 4% of eligible compensation that a participant contributes to the Plan. Additionally, the Sponsor may elect to make a discretionary contribution to the Plan. Participants who are not employed on the last working day of a Plan year are generally not eligible for the Sponsor s discretionary contribution to the Plan. As of December 31, 2009 and 2008, no discretionary contribution was made to the Plan by the Sponsor. The employer s contributions are invested according to the investment options chosen by the participant.

Participant Accounts: Each participant s account is credited with the participant s contribution and allocations of the Sponsor s contribution and Plan earnings. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Vesting: Vesting in participants and the Sponsor s contributions plus earnings thereon is immediate.

Participant Loans: A participant may receive a loan based on the loan program set forth by the Plan. Active participants may borrow up to 50% of the vested portion of their accounts, subject to a $50,000 maximum. Loans are collateralized by participant accounts. Loans are repaid through payroll deductions over a maximum of five (5) years, unless the loan is for a primary residence, for which an extended term may be obtained. Current loans bear interest at rates between 3.25% and 8.25%.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(1) Plan Description: (Continued)

Cash Equivalents: The Plan considers cash and demand and time deposits with original maturities of three months or less as cash equivalents.

Operating Expenses: Operating and administrative expenses incurred by the Plan are absorbed by the Sponsor.

Payment of Benefits: On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant s vested interest in his or her account, annual installments, or an annuity. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

(2) Summary of Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition: The Plan s investments are stated at fair value, except for participant loans. For investments stated at fair value, if available, quoted market prices are used to value investments. The amounts for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at fair value. Shares of mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Plan. Participant loans are stated at cost, which approximates fair value. As described in Accounting Standards Codification (ASC) 946-210, formerly Financial Accounting Standards Board Staff Position, (FSP) *AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide And Defined-Contribution Health and Welfare and Pension Plans,* investment contracts held by a defined-contribution plan are required to be reported at fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Payment of Benefits: Benefits are recorded when paid.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(3) Administration of Plan Assets:

The Plan s assets are held by the Trustee of the Plan. Contributions are held and managed by the Trustee, which invests cash received, interest and dividend income, and makes distributions to participants. Certain administrative functions are performed by officers or employees of the Sponsor. No such officer or employee receives compensation from the Plan.

(4) Investments:

Investments are comprised of the following as of December 31, 2009 and 2008:

	2009	2008
Cash equivalents	$ 5,776,689	$ 6,489,566
Mutual funds	10,499,895	6,479,473
Pinnacle Financial Partners stock*	17,482,802	16,160,417
Participant loans	505,298	269,285
	$ 34,264,684	$ 29,398,741

* Unitized stock fund at December 31, 2008

Participant loans are secured by a participant s vested account balance. The outstanding loan amounts cannot exceed 50% of the participants vested account value.

The following presents the investments that represent 5% or more of the Plan s net assets as of December 31, 2009 and 2008:

	2009	2008
Pinnacle Financial Partners stock*	$ 17,482,802	$ 16,160,417
American Funds Money Market Fund	5,776,689	**
Oppenheimer Cash Reserves A	**	6,489,566
	$ 23,259,491	$ 22,649,983

* Unitized stock fund at December 31, 2008

** Investment does not represent five percent of the Plan s net assets for the respective year.

During 2009 and 2008, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) had net depreciation in value of $5,696,934 in 2009 and of $1,453,803 in 2008, as follows:

	2009	2008
Pinnacle Financial Partners stock*	$ (7,819,655)	$ 2,738,715
Mutual funds	2,122,721	(4,192,518)
	$ (5,696,934)	$ (1,453,803)

* Unitized stock fund at December 31, 2008

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(5) Related Party Transactions:

At December 31, 2009, the Plan owned 1,229,452 shares of Pinnacle Financial Partners, Inc. common stock. At December 31, 2008 the Plan held 786,852 units of the Pinnacle Financial Partners Unitized Stock Fund, which invests in Pinnacle Financial Partners, Inc. common stock, in addition to investments in short-term money market investments.

Also, certain Plan investments are shares of mutual funds managed by American Funds. The platform to administer the Plan is operated and maintained by American Funds and, therefore, the transactions qualify as party-in-interest transactions. In 2008, Oppenheimer managed the mutual funds and was the platform administrator.

Fees are charged to the participant for loans and distributions. These fees totaled $1,082 and $9,340 for the years ended December 31, 2009 and 2008, respectively. These fees are considered customary and reasonable for such services.

(6) Fair Value of Financial Instruments:

ASC 820-10, formerly SFAS No. 157 defines fair value as the exchange price that would be received on the measurement date to sell an asset or the price paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. ASC 820-10 also establishes a three level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

Level 1

Level 1 asset and liability fair values are based on quoted prices in active markets for identical assets and liabilities. The Plan holds mutual funds and common stock with total fair value at December 31, 2009 and 2008 of $33,759,386 and $29,129,456, respectively, which are measured as Level 1 assets.

Level 2

Level 2 asset and liability fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Plan has no Level 2 assets at December 31, 2009 and 2008.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(6) Fair Value of Financial Instruments: (Continued)

Level 3

Level 3 assets and liabilities are financial instruments whose value is calculated by the use of pricing models and/or discounted cash flow methodologies, as well as financial instruments for which the determination of fair value requires significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data. The Plan s Level 3 assets include participant loans and total $505,298 and $265,285, respectively, at December 31, 2009 and 2008.

The table below presents a reconciliation for the year ended December 31, 2009 and 2008 for all Level 3 assets that are measured at fair value on a recurring basis:

	2009 Participant Loans	2008 Participant Loans
Beginning Balance	$ 269,285	$ 198,077
Transferred Loans	17,282	
New loans issued	333,519	173,992
Interest assessed	14,670	
Loans forfeiture	(2,829)	(12,871)
Loan principal repayments	(126,629)	(89,913)
Ending Balance	$ 505,298	$ 269,285

(7) Reconciliation of Form 5500 to Financial Statements:

The following is a reconciliation of the increase in net assets available for benefits for the years ended December 31, 2009 and 2008 to Schedule H of Form 5500:

	2009	2008
Increase in net assets available for benefits	$ 4,865,943	$ 5,993,830
Change in employer and participant contributions receivable	1	568
Increase in net assets available for benefits on Schedule H of Form 5500	$ 4,865,944	$ 5,994,398

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Notes to Financial Statements
December 31, 2009 and 2008

(8) Tax Status

The Basic Plan Document was developed by the Plan s Trustee and submitted to the Internal Revenue Service (Service) for qualifications as a prototype plan. In its letter dated March 31, 2008, the Service opined that the form of this prototype plan is acceptable under Internal Revenue Code Section 401 for use by employers for the benefit of their employees. Although a determination letter has not been requested specifically for this Plan, the Plan s Trustees believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

(9) Plan Termination:

The Sponsor reserves the right to terminate the Plan at any time, subject to the provisions of ERISA. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code. Upon termination of the Plan, the Trustee shall pay all liabilities and expenses of the trust.

(10) Risks and Uncertainties:

The Plan provides for various investment options in several investment securities and instruments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks and values in the near term would materially affect participants account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

(11) Concentration:

At December 31, 2009 and 2008, approximately 52% and 55%, respectively, of Plan assets were invested in Pinnacle Financial Partners, Inc. common stock. A significant change in the stock price would have a significant effect on the financial statements.

(12) Net Assets:

Net assets available for benefits at December 31, 2009 and 2008, include $2,339,788 and $1,604,286, respectively, of vested benefits allocated to the accounts of participants who as of December 31, 2009 and 2008, had terminated employment with the Sponsor or a subsidiary affiliate thereof.

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
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December 31, 2009 and 2008

(13) Transfers into Plan Related to Merger:

The assets of Pinnacle Financial Partners frozen ESOP (formerly Cavalry ESOP) were transferred into the 401(k) plan prior to December 31, 2009.

(14) Subsequent Events:

Management has evaluated subsequent events through June 24, 2010, the date the financial statements were available to be issued.

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FEIN: 62-1829917
Plan #: 001

PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
Schedule H, line 4(i) Schedule of Assets (Held at End of Year)
December 31, 2009

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
	Investments:		
*	Pinnacle Financial Partners, Inc.	1,229,452 shares of common stock	$ 17,482,802
	Pinnacle Participant Directed Funds:		
	AIM Small Cap Equity Fund R	34,047	316,638
*	American Funds 2010 Target Date Fund R3	17,343	149,146
*	American Funds 2015 Target Date Fund R3	29,834	256,867
*	American Funds 2020 Target Date Fund R3	32,899	277,340
*	American Funds 2025 Target Date Fund R3	26,044	217,465
*	American Funds 2030 Target Date Fund R3	55,690	470,576
*	American Funds 2035 Target Date Fund R3	12,156	102,716
*	American Funds 2040 Target Date Fund R3	5,326	45,214
*	American Funds 2045 Target Date Fund R3	6,143	52,337
*	American Funds 2050 Target Date Fund R3	2,088	17,516
*	Amercian Funds Capital Income Builder R3	21,318	1,020,922
*	American Funds Capital World Bond Fund R3	11,502	230,497
*	American Funds Capital World Growth and Income R3	14,619	495,738
*	American Funds Europacific Growth Fund R3	36,674	1,381,861
*	American Funds Fundamental Investors R3	21,166	691,507
*	American Funds Growth Fund of America R3	38,894	1,047,420
*	American Funds High Income Trust R3	6,080	64,514
*	American Funds Money Market Fund R3	5,776,689	5,776,689
*	Employer Stock Awaiting Purchase Fund	8	8
	Federated Max-Cap Index K	15,388	184,661
	Franklin Income Fund R	422,039	865,180
	Janus Forty Fund R	26,136	812,046
	PIMCO Total Return Fund R	53,507	577,879
	Victory Established Value Fund R	53,147	1,221,847
			33,759,386
*	Participant loans	Notes, interest rates 3.25% - 8.25% due 3/2/10 9/24/39	505,298
			$ 34,264,684

* Party-in-interest to the Plan

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PINNACLE FINANCIAL PARTNERS, Inc. 401(k) PLAN
EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm

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SIGNATURE

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

PINNACLE FINANCIAL PARTNERS, INC. 401(K) PLAN

/s/ Harold R. Carpenter
Harold R. Carpenter
Chief Financial Officer

June 29, 2010