
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):

July 16, 2009

CIB Marine Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin

000-24149

37-1203599

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

N27 W24025 Paul Court, Pewaukee,
Wisconsin

53072

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

262-695-6010

Not Applicable

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:

- 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))
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Item 8.01 Other Events.

On July 16, 2009, CIB Marine Bancshares, Inc. issued a press release announcing that it is asking holders of its trust preferred securities to approve a pre-packaged plan of reorganization under Chapter 11 of the federal bankruptcy code. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference. In addition, on July 16, 2009, CIB Marine mailed a letter to its common shareholders announcing the same, a copy of which is attached as Exhibit 99.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 - Press Release dated July 16, 2009.

Exhibit 99.2 - Shareholder Letter issued July 16, 2009.

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.

CIB Marine Bancshares, Inc.

July 16, 2009

By: *John P. Hickey, Jr.*

Name: John P. Hickey, Jr.

Title: President & CEO

Exhibit Index

Exhibit No.	Description
99.1	Press Release dated July 16, 2009
99.2	Shareholder Letter issued July 16, 2009



FOR IMMEDIATE RELEASE
July 16, 2009

FOR MORE INFORMATION
Evan Zeppos
414-276-6237 / 414-491-6610

**CIB MARINE BANCSHARES, INC. ASKS
HOLDERS OF TRUST PREFERRED SECURITIES
TO CONVERT DEBT TO PREFERRED STOCK**

Approval Would Pave Way for Pre-Packaged Plan of Reorganization

Bank Not Impacted

PEWAUKEE, WI – Bank holding company CIB Marine Bancshares, Inc. (PINKSHEETS: CIBH) today said it has asked holders of its trust preferred securities to give advance approval of a pre-packaged plan of reorganization under Chapter 11 of the bankruptcy code that would involve conversion of their debt securities to preferred stock.

In a solicitation sent to the holders of the trust preferred securities, the holding company said approval of the reorganization, similar to the recent approach used by Chrysler and General Motors, will allow the holding company to emerge as a stronger and better business.

Holding company officials stressed that the bank owned by CIB Marine Bancshares, Inc. – operating as Marine Bank in the metro Milwaukee area, Indianapolis and Scottsdale, and as Central Illinois Bank in mid-state Illinois – will not be affected by the plan of reorganization.

“The bank is in a strong position with capital levels that are above the national average and higher than most of our local competitors,” said John Hickey, Jr., chairman and CEO of the holding company. “Any restructuring of the holding company would have no impact on the operations of the bank and deposits, and the bank would continue to be safe and sound.”

Hickey pointed out that the bank is regulated separately from the holding company by both federal and state regulators and its accounts are insured by the FDIC.

“Our bank remains committed to meeting the needs of our valued customers and has the resources to maintain a safe and secure position. The bank is conducting regular banking business, making loans and meeting our customers’ banking needs.”

Hickey said that if the plan is approved by the holders of the trust preferred securities, the reorganization could be completed within about 60 days, pending confirmation by the court. He said this would make the holding company “stronger and better” and make it more attractive to a prospective partner.

Upon approval of the plan by the trust preferred security holders, the holding company will present it to the court for approval. Chrysler and General Motors both took a similar approach and recently emerged from bankruptcy after completing a pre-packaged restructuring and reorganization under the court’s supervision.

Hickey said the holding company restructuring is necessary because of a previous expansion effort that did not meet its business goals and objectives. He noted that while a previous proposal to the trust preferred holders was not approved, he was “cautiously optimistic” that the revised solicitation would gain the necessary support to allow the reorganization to move forward.

“It is critical and essential that people understand and make clear the difference between the holding company and the bank. The bank is strong, sound and conducting business as usual. On the other hand, the holding company has to resolve the challenges brought on by the previous expansion effort. In simple language, the bank is fine, but the holding company needs

to be financially restructured.”

CIB Marine Bancshares, Inc. is a one-bank holding company with 17 banking offices in central Illinois, Wisconsin, Indiana, and Arizona. Please visit www.cibmarine.com for additional information.

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This statement contains forward-looking information. Actual results could differ materially from those indicated by such information. Information regarding risk factors and other cautionary information is available in Item 1A of CIB Marine's Annual Report on Form 10-K for the period ended December 31, 2008.

July 16, 2009

Dear Shareholder,

This letter summarizes some important information for our shareholders regarding a proposed prepackaged plan of reorganization pursuant to Chapter 11 of the Bankruptcy Code (the "Plan of Reorganization") that we presented to holders of our trust preferred securities ("TruPS") today for their approval.

In our last shareholder letter, we told you that we were unable to obtain the necessary consent of the holders of our TruPS to a plan of restructuring of our TruPS obligations that would have allowed us to convert indebtedness issued pursuant to the TruPS into shares of our noncumulative perpetual preferred stock. Since the vote on that plan was concluded, we have been focusing on preparing the Plan of Reorganization to present to the holders of our TruPS, which is described in more detail below.

Under the Plan of Reorganization, approximately \$105.3 million of high-interest cumulative indebtedness would be exchanged for 55,624 shares of Series A 7% fixed rate perpetual noncumulative preferred stock with a stated value of \$1,000 per share ("Series A Preferred") and 4,376 shares of Series B 7% fixed rate convertible perpetual preferred stock with a stated value of \$1,000 per share ("Series B Preferred" and, together with Series A Preferred, the "Company Preferred"). Each share of our Series B Preferred would be convertible into 4,000 shares of our common stock only upon the consummation of a merger transaction involving the company. The Company Preferred would have no stated redemption date and holders could never force us to redeem it. Further, because dividends would be noncumulative, we would only be required to pay such dividends as we choose to declare from time to time, in our own discretion, subject to regulatory approval. The effects of the Plan of Reorganization, if it is approved by TruPS holders and confirmed by the Bankruptcy Court, would be to improve our earnings by eliminating the interest burden on us associated with the TruPS-related indebtedness, and to significantly improve our capital position.

Under the Plan of Reorganization, your interests as common shareholders would not be impaired and, in fact, you would receive the benefit of our enhanced capital position resulting from the conversion of our outstanding TruPS indebtedness into preferred equity upon the restructuring. If all Series B Preferred shareholders were to convert their shares in connection with a merger, they would own slightly less than 50% of our outstanding common stock and have a right to participate at that level in any merger consideration paid to acquire our company.

The TruPS holders have until August 17, 2009 to vote on the Plan of Reorganization. If we are successful in completing the reorganization outlined above, we will immediately recommence our efforts to find a business combination partner with the assistance of our investment banker.

While it has been a long and difficult journey to reach this point, we are encouraged by the opportunity to restructure the trust preferred securities and move the company forward. We will continue to provide updates to you when we have the results of the above-described vote on the Plan of Reorganization, or any other important information about us that arises.

For additional information about the company, including our SEC filings, shareholder letters and other company news, please visit www.cibmarine.com.

Sincerely,



John P. Hickey, Jr.
President and CEO

This letter contains forward-looking information. Actual results could differ materially from those indicated by such information. Information regarding risk factors and other cautionary information is available in Item 1A of CIB Marine's Annual Report on Form 10-K for the period ended December 31, 2008.