

GOODYEAR TIRE & RUBBER CO /OH/

Form 11-K

June 29, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K
ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2006
Commission File Number: 1-1927
THE GOODYEAR TIRE & RUBBER COMPANY
EMPLOYEE SAVINGS PLAN FOR SALARIED EMPLOYEES
(Full title of the Plan)
THE GOODYEAR TIRE & RUBBER COMPANY
(Name of Issuer of the Securities)
1144 East Market Street
Akron, Ohio 44316-0001
(Address of Issuer's Principal Executive Office)**

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ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

EXHIBITS.

SIGNATURES

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**THE GOODYEAR TIRE & RUBBER COMPANY
EMPLOYEE SAVINGS PLAN FOR SALARIED EMPLOYEES**

ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of The Goodyear Tire & Rubber Company Employee Savings Plan for Salaried Employees (the Plan) as of December 31, 2006 and 2005 and for the fiscal year ended December 31, 2006, together with the report of Bober, Markey, Fedorovich & Company, independent registered public accounting firm, are attached to this Annual Report on Form 11-K as Annex A, and are by specific reference incorporated herein and filed as a part hereof. The Financial Statements and the Notes thereto are presented in lieu of the financial statements required by Items 1, 2 and 3 of Form 11-K. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

EXHIBITS.

EXHIBIT 23.1 Consent of Bober, Markey, Fedorovich & Company, independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

**THE GOODYEAR TIRE & RUBBER
COMPANY**

**Plan Administrator of THE GOODYEAR TIRE
&
RUBBER COMPANY EMPLOYEE SAVINGS
PLAN
FOR SALARIED EMPLOYEES**

Dated: June 29, 2007

By: /s/ Damon Audia
Damon Audia, Vice President and
Treasurer

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**ANNEX A
TO
Form 11-K**

**THE GOODYEAR TIRE & RUBBER COMPANY
EMPLOYEE SAVINGS PLAN FOR SALARIED EMPLOYEES**

*** * * * ***

**FINANCIAL STATEMENTS
DECEMBER 31, 2006**

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**The Goodyear Tire & Rubber Company
Employee Savings Plan
For Salaried Employees
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of
The Goodyear Tire & Rubber Company Employee Savings Plan for
Salaried Employees
Akron, Ohio

We have audited the accompanying statements of net assets available for benefits of The Goodyear Tire & Rubber Company Employee Savings Plan for Salaried Employees (the Plan) as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. 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. 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 Goodyear Tire & Rubber Company Employee Savings Plan for Salaried Employees as of December 31, 2006 and 2005 and the changes in its net assets available for benefits for the year ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2006, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Bober, Markey, Fedorovich & Company
BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio
June 29, 2007

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The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005

Statements of Net Assets Available for Benefits

	December 31, 2006	December 31, 2005
(Dollars in Thousands)		
Plan's Interest in Commingled Trust at fair value	\$ 1,338,657	\$ 1,297,551
Participant Loans	36,659	39,155
Contribution Receivable - Employer	154	
Contribution Receivable - Employee	1,863	
Net Assets Available for Benefits at fair value	1,377,333	1,336,706
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts	3,445	945
Net Assets Available for Benefits	\$ 1,380,778	\$ 1,337,651

Statement of Changes in Net Assets Available for Benefits

The accompanying notes are an integral part of these statements.

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accounts of The Goodyear Tire & Rubber Company Employee Savings Plan for Salaried Employees (the Plan) are maintained on the accrual basis of accounting and in accordance with The Northern Trust Company (the Trustee) Trust Agreement, effective as of November 1, 1995.

Plan Year

The Plan Year is a Calendar year.

Trust Assets

Certain savings plans sponsored by The Goodyear Tire & Rubber Company and certain subsidiaries (the Company) maintain their assets in a master trust entitled The Goodyear Tire & Rubber Company Commingled Trust (the Commingled Trust) administered by the Trustee. The Company sponsored two savings plans at December 31, 2006 and 2005 that participate in the Commingled Trust. The Plan 's undivided interest in the Commingled Trust is presented in the accompanying financial statements in accordance with the allocation made by the Trustee.

Recordkeeper

JP Morgan Retirement Plan Services, LLC is the recordkeeper of the Plan.

Asset Valuation and Income Recognition

The majority of the assets of the Plan are valued at fair market value. The fair value of the Plan 's interest in the Commingled Trust is based on the beginning of the year value in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investments in the Goodyear Stock Fund are valued at the last reported sales price on the last business day of the Plan year. If no sales were reported on that date, the shares are valued at the last bid price. Investments in mutual funds are valued at the net asset value of shares held by the Commingled Trust at year end. Investments in commingled funds are valued at fair value, as determined by the fund manager. Investments in the self directed account are valued at fair value, based on the underlying investments in the account. Participant loans are valued at their outstanding balances, which approximate fair value. Investment income and administrative expenses relating to the Commingled Trust are allocated on a daily basis to the Plan based on the Plan 's value in each applicable fund within the Commingled Trust.

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

As described in 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* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statements of Net Assets Available for Benefits presents the fair value of the investment contracts held in the Stable Value fund of the Commingled Trust as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases of securities are recorded on the trade date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Concentration of Credit Risk

The Stable Value Fund of the Commingled Trust invests part of the fund in investment contracts of financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity (See Note 9).

The Goodyear Stock Fund invests primarily in the Common Stock of the Company. Significant changes in the price of Goodyear Stock can result in significant changes in the Net Assets Available for Benefits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and related notes to financial statements. Changes in such estimates may affect amounts reported in future years.

Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

Reclassification

For comparability, certain amounts in the 2005 financial statements have been reclassified to conform to the 2006 financial statement presentation.

2. GENERAL DESCRIPTION AND OPERATION OF THE PLAN:

Inception

The Plan is a defined contribution plan, which became effective July 1, 1984.

Eligibility

All salaried, hourly, and U.S. expatriate salaried employees, including officers, of the Company are eligible to participate in the Plan as of the first enrollment date after completing three months of continuous service with the Company. Effective November 1, 2005, newly eligible employees are automatically enrolled at 3% of compensation for the employee deferral, unless the employee elects otherwise.

Vesting

Employee contributions are fully vested. Employer contributions become vested after the participant has completed three years of continuous service with the Company.

Contributions

Eligible employees may elect to contribute any whole percent from 1% to 50% of earnings, including wages, bonuses, commissions, overtime and vacation pay into the Plan. In addition, the Plan permits catch-up contributions by participants who have attained age 50 by December 31 of each year subject to certain limitations under the Internal Revenue Code. Participating employees may elect to have their contributions invested in any of the funds available for employees at the time of their contributions. The Company calculates and deducts employee contributions from gross earnings each pay period based on the percent elected by the employee. Employees may change their contribution percent any time. The change will become effective as soon as administratively possible after participant makes it. Employees may transfer amounts attributable to employee contributions from one fund to the other on a daily basis. Employees may suspend their contributions at any time effective immediately.

The Plan has been established under section 401 of the Internal Revenue Code. Therefore, employee and employer contributions to the Plan are not subject to federal withholding tax, but are taxable when they are withdrawn from the Plan.

The Board of Directors of the Company determines the matching percent used as the

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

employer contributions for each year. For 2006, Employer Matching Contributions were suspended. Any participant who has a vested interest in the Goodyear Stock Fund attributable to Matching Employer Contributions (or a Beneficiary with respect to any such participant) may elect at any time to transfer all or a portion of the vested interest to another investment fund.

Effective January 1, 2005, all salaried new hires and eligible employees at specified locations are eligible for a company funded contribution. This retirement contribution is not an employer matching contribution. It is not dependent on an employee contribution. The contribution is 5% of compensation up to the Social Security Wage Base and 11.8% for compensation above the Social Security Base not to exceed the IRS determined compensation limit. The employee can elect to invest this contribution in any of the investment options available for employee contributions.

Participant Accounts

A variety of funds have been established for each participant in the Plan. All accounts are valued daily by the Trustee. Interest and dividends (in non Goodyear Stocks) are automatically reinvested in each participant's respective accounts and reflected in the unit value of the fund which affects the value of the participants' accounts.

Under the Employee Stock Ownership Plan (the "ESOP"), participants may elect to receive in cash dividends on the Goodyear stock held in their employer match account. Such election results in a distribution to the participant. For the year ended December 31, 2006 there were no dividends paid on the Goodyear stock held.

Plan Withdrawals and Distributions

Participants may withdraw vested amounts from their accounts if they:

Attain the age of 59^{1/2}, or

Qualify for a financial hardship.

The Internal Revenue Service (IRS) issued guidelines governing financial hardship. Under the IRS guidelines, withdrawals are permitted for severe financial hardship. Contributions to the Plan are suspended for 6 months subsequent to a financial hardship withdrawal.

Participant vested amounts are payable upon retirement, death or other termination of employment.

All withdrawals and distributions are valued as of the end of the month they are processed, and are subject to federal income tax upon receipt. Any non-vested Company contributions are forfeited and applied to reduce plan expenses and future contributions by the Company.

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

For the years December 31, 2006 and 2005, the Plan had forfeiture credits in the amounts of \$17,444 and \$78,914, respectively.

Participant Loans

Eligible employees may borrow money from their participant accounts. The minimum amount to be borrowed is \$1,000. The maximum amount to be borrowed is the lesser of \$50,000 reduced by the highest outstanding balance of any loan during the preceding twelve month period, or 50% of the participant's vested account balance. Participants may have up to two loans outstanding at any time. The interest rate charged will be a fixed rate that will be established at the time of the loan application based on prime plus one (9.25% and 8.25% at December 31, 2006 and 2005, respectively).

Loan repayments, with interest, are made through payroll deductions. If a loan is not repaid when due, the loan balance is treated as a taxable distribution from the Plan.

Rollovers

Employees, Plan participants, or former Plan participants may transfer eligible cash distributions from any other employer sponsored plan qualified under Section 401 of the Internal Revenue Code into the Plan by a direct transfer from such other plan.

Expenses

Expenses of administering the Plan were paid partly by the Company and partly by the Commingled Trust. The payment of Trustee's fees and brokerage commissions associated with the Company Stock Fund are paid by the Company. Expenses related to the asset management of the investment funds, and recordkeeping services are paid from such Funds which reduce the investment return reported and credited to participant accounts.

The JPMorgan Personal Asset Manager Program was made available to participants as of August 1, 2005. This program provides personalized portfolio management for participants who wish to delegate investment decisions about fund choices within the Plan to a professional manager. Participation in the program is paid solely by those participants electing to enroll. The expense reduces the investment return reported and credited to participant accounts.

Termination Provisions

The Company anticipates and believes that the Plan will continue without interruption, but reserves the right to discontinue the Plan. In the event of termination, the obligation of the Company to make further contributions ceases. All participants' accounts would then be fully vested with respect to Company contributions.

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

3. RELATED PARTY TRANSACTIONS:

The Trustee serves as the fund manager of the S&P 500 Index Stock Equity Fund.

JP Morgan Investment Management Inc. serves as the fund manager of the Large Capitalization Value Fund and the International Equity Fund.

The Goodyear Stock Fund is designed primarily for investment in common stock of the Company, except for short-term investments needed for Plan operations. During 2006 the price per share of Goodyear common stock on The New York Stock Exchange composite transactions ranged from \$9.75 to \$21.35. The closing price per share of Goodyear common stock on The New York Stock Exchange was \$20.99 at December 29, 2006 (\$17.38 at December 30, 2005). The common stock of The Goodyear Tire & Rubber Company and a Short-Term Investments Fund are the current investments of this fund. The portion of this fund related to employer contributions was converted to an employee stock ownership plan (ESOP).

4. TAX STATUS OF PLAN:

The Internal Revenue Service has determined and informed the Company by a letter dated July 24, 2003 that the Plan is qualified and the trust established for the Plan is exempt from Federal Income Tax under the appropriate Sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Company and the Plan's tax counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

5. LITIGATION:

Following the announcement of a restatement of the Company's financial statements in October 2003, a number of purported class action lawsuits were filed against the Company in the United States District Court for the Northern District of Ohio on behalf of purchasers of Company common stock alleging violations of the federal securities laws. These lawsuits alleged, among other things, that the Company and the other named defendants violated federal securities laws by artificially inflating and maintaining the market price of the Company's securities. Several derivative lawsuits were also filed by purported shareholders on behalf of the Company in the United States District Court for the Northern District of Ohio. The derivative actions alleged, among other things, breach of fiduciary duty and corporate waste arising out of the same events and circumstances upon which the securities class actions were based. Finally, several lawsuits were filed in the United States District Court for the Northern District of Ohio against the Company, the Trustee, and current and/or former officers of the Company asserting breach of fiduciary claims under the Employee Retirement Income Security Act (ERISA) on behalf of a putative class of participants in The Goodyear Tire & Rubber Company Employee Savings Plan for Bargaining Unit Employees and the Plan. Certain

Table of Contents**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

current and former directors and associates of the Company have since been added as defendants and the Trustee was subsequently dismissed without prejudice from this action. The plaintiffs' claims in the ERISA actions arise out of the same events and circumstances upon which the securities class actions and derivative actions were based. All of these actions were consolidated into three separate actions in the United States District Court for the Northern District of Ohio. In 2004, the defendants filed motions to dismiss all three of the consolidated actions. The Court granted the Company's motions to dismiss the purported securities class action and derivative actions in March 2006 and January 2007, respectively. In July 2006, the Court denied the defendants' motion to dismiss the breach of fiduciary claims under ERISA. Although the Company continues to believe the claims are without merit, the Company has entered into settlement discussions with the plaintiffs in order to eliminate the ongoing cost and distraction of the litigation.

6. SUBSEQUENT EVENTS

Effective April 1, 2007, the Plan was amended to: automatically enroll participants hired after March 31, 2007 at a default employee contribution rate of 4% of compensation; provide an employer retirement contribution rate equal to 3% of compensation; and establish an employer matching contribution equal to 50% of the first 4% of compensation that the employee contributes to the Plan. All participants effective April 1, 2007 are entitled to elect their employee contributions to be on a pre-tax basis or as a Roth 401 (k) contribution. Effective December 31, 2007, the Plan was amended such that employer contributions become vested after the participant has completed two years of continuous service with the Company. Effective January 1, 2009, the Plan was amended, changing the employer retirement contribution rate to an age and hire date based contribution rate.

In addition, the net assets of participants of the Plan who are employees of a retail store location will be transferred to The Goodyear Tire & Rubber Company Employee Savings Plan for Retail Employees, effective April 1, 2007. This transfer of funds from the Plan to The Goodyear Tire & Rubber Company Employee Savings Plan for Retail Employees amounted to \$106,480,502.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2006 and December 31, 2005 to the Form 5500:

	December 31, 2006	December 31, 2005
(Dollars in Thousands)		
Net Assets Available for Benefits per the Financial Statements	\$ 1,380,778	\$ 1,337,651
Amount for adjustment from fair value to contract value for fully benefit-responsive investment contracts	(3,445)	
Amounts Allocated to Withdrawing Participants	(601)	(37)
Net Assets Available for Benefits per the Form 5500	\$ 1,376,732	\$ 1,337,614

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The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2006 to the Form 5500:

(Dollars in Thousands)	Year Ended December 31, 2006
Benefits Paid to Participants per the Financial Statements	\$ 154,015
Add: Amounts Allocated to Withdrawing Participants at December 31, 2006	601
Less: Amounts Allocated to Withdrawing Participants at December 31, 2005	(37)
Benefits Paid to Participants per the Form 5500	\$ 154,579

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to the plan year end, but not yet paid as of that date.

The following is a reconciliation of net investment gain from the Plan's interest in commingled trust per the financial statements at December 31, 2006 to the Form 5500:

(Dollars in Thousands)	Year Ended December 31, 2006
Net Investment Gain from Plan's Interest in Commingled Trust per the Financial Statements	\$ 124,886
Less: Impact of reflecting fully benefit-responsive investment contracts at fair value at December 31, 2006	(3,445)
Net Investment Gain from Plan's Interest in Commingled Trust per the Form 5500	\$ 121,441

Fully benefit-responsive investment contracts are recorded at fair value on the Form 5500.

8. FINANCIAL DATA OF THE COMMINGLED TRUST:

All the Plan's investments except for the participant loans are in the Commingled Trust, which was established for the investment of assets of the Plan. Each Participating plan has an undivided interest in the Commingled Trust. At December 31, 2006 and December 31, 2005, the Plan's interest in the net assets of the Commingled Trust was approximately 64.0%

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The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005

and 63.2% respectively. The Commingled Trust assets are held by The Northern Trust Company (Trustee).
The financial data of the Commingled Trust is as follows:

Statements of Net Assets Available for Benefits of the Commingled Trust

(Dollars in Thousands)	December 31, 2006	December 31, 2005
Investments:		
Common Collective Trusts		
U S Active Large Capitalization Value Fund	\$ 74,915	\$ 15,265
Daily S & P 500 Equity Index Fund	468,796	419,274
EAFE Plus Fund	151,423	76,264
Short-Term Investments	26,450	28,930
Mutual Funds		
Western Asset Core Plus Bond Fund Inst. Class Fund	15,502	5,193
Vanguard Target Retirement Income Fund	1,147	915
Vanguard Target Retirement 2005 Fund	20,297	27,448
Vanguard Target Retirement 2015 Fund	13,167	6,492
Vanguard Target Retirement 2025 Fund	63,349	68,540
Vanguard Target Retirement 2035 Fund	7,069	2,884
Vanguard Target Retirement 2045 Fund	41,559	39,381
American Century Ultra Institutional Class Fund	56,995	77,133
Artisan Small Capitalization Growth Fund	93,017	119,269
RS Partners Small Capitalization Value Fund	17,008	9,908
Charles Schwab Self Directed Account	25,973	22,204
Common Stock of The Goodyear Tire & Rubber Company	221,441	294,533
Investment Contracts (See Note 9)	790,494	837,661
Total Investments	2,088,602	2,051,294
Receivables:		
Accrued Interest and Dividends	3,252	3,343
Total Assets Available for Benefits	2,091,854	2,054,637
Liabilities:		
Administrative Expenses Payable	(1,282)	(548)
Total Liabilities	(1,282)	(548)

Net Assets Available for Benefits	\$ 2,090,572	\$ 2,054,089
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The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005

COMMINGLED TRUST INVESTMENT INCOME:

Net Investment income for the Commingled Trust is as follows:

(Dollars in Thousands)	Year Ended December 31, 2006
Net Appreciation in Fair Value of Investments:	
Common Collective Trust	\$ 100,476
Mutual Funds	21,019
Common Stock	29,040
Self Directed Funds Mutual Funds	3,449
	153,984
Interest and dividends	38,035
Investment Gain from Plan's Interest in Master Trust	192,019
Administrative Expenses	(3,272)
Net Investment Income	\$ 188,747

9. INVESTMENT CONTRACTS

The Commingled Trust invests in The Goodyear Tire & Rubber Company Employee Savings Plan Stable Value Fund (Stable Value Fund) which has entered into benefit-responsive guaranteed investment contracts and wrapper contracts with various insurance companies. The insurance companies maintain the contributions in general accounts. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

As described in Note 1, because the guaranteed investment contracts held by the Commingled Trust are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the Commingled Trust by the manager of the Stable Value Fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuers or otherwise. The crediting interest rate is based on a formula agreed upon with the issuers.

The Stable Value Fund has purchased wrapper contracts from the insurance companies. The wrapper contracts amortize the realized and unrealized gains and losses on the underlying

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**The Goodyear Tire & Rubber Company
Employee Savings Plan for Salaried Employees
December 31, 2006 and 2005**

fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for underlying investments). The issuers of the wrapper contracts provide assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Commingled Trust elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. The events described above that could result in the payment of benefits at market value rather than contract value are not probable of occurring in the foreseeable future.

The wrapper contracts do not permit the issuers to terminate the contracts unless the Plan loses its qualified status, has incurred material breaches of responsibilities, or material and adverse changes occur to the provisions of the Plan.

Average yields:

Based on actual earnings

Based on interest rate credited to participants

***Year Ended
December 31, 2006***

5.1 %

5.0 %

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Employee Savings Plan for Salaried Employees****Schedule I****Schedule H, line 4i Schedule of Assets (Held at End of Year) December 31, 2006****Employer Identification Number: 34-0253240, Plan Number: 004**

(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	(d) Cost	(e) Current Value
	Participant Loans	5.0% 10.5%	\$	\$ 36,658,557

Note: This schedule excludes the Plan's interest in the Commingled Trust, which is not required to be reported on the schedule pursuant to the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

he consolidated financial statements upon adoption. 25 PART II. OTHER INFORMATION Item 1. Legal Proceedings There are no material pending legal proceedings to which the Company is a party or of which any of its property is the subject. Item 2. Changes in Securities Not applicable Item 3. Defaults Upon Senior Securities Not applicable Item 4. Submission of Matters to a Vote of Security Holders At the company's annual meeting of shareholders held May 15, 2002, the election of four members of the board of directors as Class III directors for a three-year term was the only matter submitted to a vote of security holders during the six months ended June 30, 2002. Our board of directors is divided into three classes with each class to be nearly equal in number as possible. The three classes of directors are to have staggered terms, so that the terms of only approximately one-third of the board members will expire at each annual meeting of meeting of shareholders. The current Class I directors are Mark A. Cothran, Rudolph G. Johnsonstone, III, M.D., Keith J. Marrero, and R. Arthur Seaver, Jr. The current Class II directors are Leighton M. Cabbage, David G. Ellison, James B. Orders, and William B. Sturgis. The current Class III directors are Andrew B. Cajka, Anne S. Ellefson, Fred Gilmer, Jr. and Tecumseh Hooper, Jr. The previous terms of the Class III directors expired at the Annual Meeting. Each of the four current Class III directors was nominated for election and stood for election at the Annual Meeting on May 15, 2002 for a three-year term. The number of votes for the election of the Class II directors were as follows: For Mr. Cajka - 911,887; for Ms. Ellefson - 911,887; for Mr. Gilmer - 851,787; and for Mr. Hooper - 911,877. The number of votes against the directors were as follows: Mr. Cajka - 500; Ms. Ellefson - 500; Mr. Gilmer -60,600; and Mr. Hooper -500. No shareholders voted to abstain. Since a plurality of the votes were attained for the directors that stood for re-election, the approval of the Class III directors to serve a three-year term, expiring at the 2005 annual meeting of shareholders was recorded in our minute book from the annual meeting of shareholders. There were no other matters voted on by the company's shareholders at our annual meeting held on May 15, 2002. Item 5. Other Information None Item 6. Exhibits and Reports on Form 8-K (a) Exhibits None (b) Reports on Form 8-K None 26 SIGNATURES Pursuant to the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. GREENVILLE FIRST BANCSHARES, INC. Date: August 12, 2002 /s/ R. Arther Seaver, Jr. ----- R. Arthur Seaver, Jr. Chief Executive Officer /s/ James M. Austin, III ----- James M. Austin, III Chief Financial Officer 27