

CITIZENS & NORTHERN CORP

Form S-3/A

October 16, 2009

As filed with the Securities and Exchange Commission on October 16, 2009

**Registration No. 333-162279**

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

**AMENDMENT NO. 1**

**TO**

**FORM S-3**

**REGISTRATION STATEMENT UNDER THE  
SECURITIES ACT OF 1933**

**CITIZENS & NORTHERN CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania  
(State or Other Jurisdiction of  
Incorporation or Organization)

23-2951943  
(IRS Employer  
Identification Number)

**90-92 Main Street  
Wellsboro, Pennsylvania 16901  
(570) 724-3411**

(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)

**Craig G. Litchfield**  
**President and Chief Executive Officer**  
**Citizens & Northern Corporation**  
**90-92 Main Street**  
**Wellsboro, Pennsylvania 16901**  
**(570) 724-3411**

(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent For Service)

*With copies to:*

**Charles J. Ferry, Esquire**  
**Paul F. Wessell, Esquire**  
**Rhoads & Sinon LLP**  
**One South Market Street, 12<sup>th</sup> Floor**  
**Harrisburg, PA 17101**  
**(717) 233-5731**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting Company   
(Do not check if a smaller reporting company)

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**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant files a further amendment which specifically states that this registration statement is to become effective in accordance with Section 8(a) of the Securities Act or until the registration statement becomes effective on the date the Commission, acting under Section 8(a), determines.**

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Subject to Completion, Dated October 16, 2009**

**PROSPECTUS**

**CITIZENS & NORTHERN CORPORATION**

**\$75,000,000**

**Common Stock  
Debt Securities  
Warrants**

We may offer and sell from time to time, together or separately, in one or more offerings, any combination of the securities listed above. The securities we may offer may be convertible into or exchangeable for other securities. The maximum aggregate initial public offering price of the securities offered through this prospectus is \$75,000,000.

This prospectus provides a general description of these securities. We will provide the specific terms of the securities offered in supplements to this prospectus. **This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.** The prospectus supplement and any related free writing prospectus may also add, update or change information contained in this prospectus. Please read this prospectus, the applicable prospectus supplement and any related free writing prospectus, as well as any documents incorporated by reference in this prospectus or any prospectus supplement, carefully before you invest in any of our securities.

Our common stock is quoted on the NASDAQ Capital Market, under the symbol CZNC. On October 15, 2009, the last quoted sale price of our common stock was \$13.28 per share. None of the other securities that we may offer are currently traded on any securities exchange. You are urged to obtain current market quotations of the common stock.

We may offer and sell the securities on a continuous or delayed basis, through agents, dealers or underwriters, or directly to purchasers. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. If agents or any dealers or underwriters are involved in the sale of the securities, the applicable prospectus supplement will set forth the names of the agents, dealers or underwriters and any applicable commissions or discounts. Net proceeds from the sale of securities will be set forth in the applicable prospectus supplement. For general information about the distribution of securities offered, please see Plan of Distribution in this prospectus.

**Investing in our securities involves risks. You should carefully consider the risk factors referred to on page 3 of this prospectus and set forth in the documents incorporated or deemed incorporated by reference into this**

**prospectus and in the applicable prospectus supplement or free writing prospectus before making any decision to invest in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission or regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The securities are not savings accounts, deposits or obligations of any bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**The date of this Prospectus is , 2009**

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No dealer, salesperson or other person has been authorized to give any information or to make any representations in connection with the offer made by this prospectus or any prospectus supplement or any free writing prospectus other than those contained in, or incorporated by reference in, this prospectus or any prospectus supplement or related free writing prospectus, and if given or made, such information or representations must not be relied upon as having been authorized by us or any agent, underwriter or dealer. This prospectus, any prospectus supplement or any free writing prospectus does not constitute an offer to sell or a solicitation of any offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The delivery of this prospectus, any prospectus supplement or any free writing prospectus or any sale of a security at any time does not imply that the information contained herein or therein is correct as of any time subsequent to their respective dates.

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## **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus as being offered, from time to time in one or more offerings, up to a total dollar amount of \$75,000,000.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about all of the terms of that offering.

We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to that offering. The applicable prospectus supplement (and any related free writing prospectus that we may authorize to be provided to you) may also add, update or change information contained in this prospectus or in the documents that we have incorporated by reference. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. You should read this prospectus and the applicable prospectus supplement and any related free writing prospectus together with additional information from the sources described in Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus. You should not assume that the information in this prospectus, the prospectus supplements, any free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

You should rely only on the information provided or incorporated by reference in this prospectus, any free writing prospectus and any prospectus supplement, if applicable. We have not authorized anyone to provide you with different information.

References to we, us, our, Citizens & Northern Corporation, Citizens & Northern or the Company refer to Citizens & Northern Corporation and its direct or indirect owned subsidiaries, unless the context otherwise requires. The term you refers to a prospective investor.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain of the statements made in this prospectus, including information incorporated herein by reference to other documents, are forward-looking statements within the meaning and protections of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended.

Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as may, will, anticipate, assume, should, indicate, would, believe, contemplate, expect, estimate, continue, plan, point to, project, could, and other similar words and expressions of the future. These forward-looking statements may not be realized due to a



variety of factors, including, without limitation:

the effects of future economic, business and market conditions, domestic and foreign, including seasonality;  
the effects of, and changes in, governmental monetary and fiscal policies;  
legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by our regulators;  
changes in accounting policies, rules and practices;  
the risk of changes in interest rates on the levels, composition and costs of deposits, loan demand, and the values and liquidity of loan collateral, securities, and interest sensitive assets and liabilities;

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the risk of decreases in the values of investment securities we own;  
failure to realize deferred tax assets;  
credit risks of borrowers;  
changes in the availability and cost of credit and capital in the financial markets;  
changes in the prices, values and sales volumes of residential and commercial real estate;  
the effects of competition from a wide variety of local, regional, national and other providers of financial, investment and insurance services;  
the failure of assumptions underlying the establishment of allowances or reserves for possible loan losses and other estimates;  
the risks of mergers, acquisitions and divestitures, including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions;  
changes in technology or products that may be more difficult, costly, or less effective, than anticipated;  
the effects of war or other conflicts, acts of terrorism or other catastrophic events that may affect general economic conditions; and  
other factors and risks described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2008 and in any of our subsequent reports that we have made or make with the SEC under the Exchange Act.

**Because such forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such statements. The foregoing list of important factors is not exclusive and you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or, in the case of documents incorporated by reference, the dates of those documents. We do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of us.**

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## THE COMPANY

We are a Pennsylvania business corporation formed on February 19, 1987, and a bank holding company registered under the Bank Holding Company Act of 1956, as amended. Through our subsidiaries, we offer a full array of deposit accounts and retail banking services, engage in consumer and commercial lending and provide a wide variety of trust and asset management services, as well as offer securities products and annuities and other insurance products.

Our primary subsidiary, Citizens & Northern Bank, referred to as C&N Bank, a Pennsylvania banking institution, operates 24 branches in seven counties in north-central Pennsylvania. In addition, First State Bank, Canisteo, N.Y., a wholly-owned subsidiary of Canisteo Valley Corporation, a bank holding company and our wholly-owned subsidiary, operates two branches located in Steuben County, New York.

As of June 30, 2009, we had total deposits of approximately \$886 million, total assets of approximately \$1.3 billion and shareholders' equity of approximately \$137 million. Citizens & Northern Corporation's operating revenues and net income are derived primarily from C&N Bank through the payment of dividends.

We also reinsure credit and mortgage life and accident and health insurance on behalf of C&N Bank through our wholly-owned subsidiary, Bucktail Life Insurance Company, and offer securities brokerage and annuities and other insurance products on an agency basis through C&N Financial Services Corporation, a wholly-owned subsidiary of C&N Bank, through an agreement with a registered broker dealer. Our wholly-owned subsidiary, Citizens & Northern Investment Corporation, holds investment securities.

Our principal executive offices are located at 90-92 Main Street, Wellsboro, Pennsylvania 16901, and our telephone number at that address is (570) 724-3411. We maintain an Internet website at [www.cnbankpa.com](http://www.cnbankpa.com). The foregoing website address is intended to be an inactive textual reference only. The information on this website is not a part of this prospectus.

## RISK FACTORS

Investing in our securities involves risk. You should carefully consider the specific risks set forth in "Risk Factors" in the applicable prospectus supplement and any related free writing prospectus and under the captions "Risk Factors" in any of our filings with the SEC, including our most recent Annual Report on Form 10-K, and in all other information appearing in this prospectus or incorporated by reference into this prospectus and any applicable prospectus supplement. For additional information, please see the sources described in "Where You Can Find More Information."

These risks are not the only risks we face. Additional risks not presently known to us, or that we currently view as immaterial, may also impair our business. If any of the risks described in our SEC filings or any prospectus supplement or any additional risks actually occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In that case, the value of our securities could decline substantially and you could lose all or part of your investment.

TABLE OF CONTENTS**USE OF PROCEEDS**

We will retain broad discretion over the use of the net proceeds from the sale of the securities offered hereby. Unless otherwise specified in the applicable prospectus supplement or any related free writing prospectus, we currently expect to use the net proceeds of our sale of securities for general corporate purposes.

General corporate purposes may include, among other purposes, contribution to the capital of our bank subsidiary to support its lending and investing activities; repayment of our debt; redemption of our capital stock or warrants to purchase our capital stock; to support or fund acquisitions of other institutions or branches if opportunities for such transactions become available; and other permitted activities. We may temporarily invest funds that we do not immediately need for these purposes in investment securities.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical consolidated ratio of earnings to fixed charges for the periods shown. No shares of preferred stock were outstanding prior to January 16, 2009 and no preferred dividends were paid prior to February 2009.

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Ratio of earnings to fixed charges:						
Excluding interest on deposits	(1 )	2.1x	2.4x	2.6x	2.6x	2.8x
Including interest on deposits	(1 )	1.4x	1.4x	1.5x	1.6x	1.8x

Note: For the purpose of computing the ratios of earnings to fixed charges, earnings consist of consolidated (loss) income before provision for income taxes, preferred stock dividends on a fully taxable equivalent basis and fixed charges. Fixed charges consist of interest expense, and are presented in two separate calculations — one including, and one excluding, interest expense on deposits.

(1) For the six months ended June 30, 2009, pre-tax earnings were inadequate to cover fixed charges (including preferred stock dividends on a fully taxable-equivalent basis) by \$26.461 million.

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## DESCRIPTION OF SECURITIES WE MAY OFFER

The securities that may be offered from time to time through this prospectus are:

common stock;

debt securities, which we may issue in one or more series; and

warrants entitling the holders to purchase common stock or debt securities.

We will describe in a prospectus supplement that we will deliver with this prospectus, the terms of particular securities that we may offer in the future. **This prospectus may not be used to offer or sell any securities unless accompanied by a prospectus supplement.** In each prospectus supplement we will include, if relevant and material, the following information:

type and amount of securities which we propose to sell;

initial public offering price of the securities;

maturity;

original issue discount, if any;

rates and times of payment of interest, dividends or other payments, if any;

redemption, conversion, exercise, exchange, settlement or sinking fund terms, if any;

ranking;

voting or other rights, if any;

conversion, exchange or settlement prices or rates, if any, and, if applicable, any provisions for changes to or adjustments in the conversion, exchange or settlement prices or rates and in the securities or other property receivable upon conversion, exchange or settlement;

names of the underwriters, agents or dealers, if any, through or to which we will sell the securities;

compensation, if any, of those underwriters, agents or dealers;

details regarding over-allotment options, if any;

net proceeds to us;

information about any securities exchange or automated quotation system on which the securities will be listed or traded, if any;

material United States federal income tax considerations applicable to the securities;

any material risk factors associated with the securities; and

any other material information about the offer and sale of the securities.

In addition, the applicable prospectus supplement and any related free writing prospectus may add, update or change the information contained in this prospectus or in the documents we have incorporated by reference.

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## **DESCRIPTION OF OUR COMMON STOCK**

*The following is a description of our common stock, certain provisions of our articles of incorporation, as amended, referred to herein as our articles of incorporation, and by-laws, as amended, referred to herein as our by-laws, and certain provisions of applicable law. The following is qualified by applicable law and by the provisions of our amended articles of incorporation and by-laws, copies of which have been filed with the SEC and are also available upon request from us. You should read the prospectus supplement, which will contain additional information and which may update or change some of the information below.*

### **General**

Our articles of incorporation provide that we may issue up to 20,000,000 shares of common stock, par value of \$1.00 per share, and 30,000 shares of preferred stock, \$1,000 par value per share, which are permitted to be issued in connection with our participation in the TARP Capital Purchase Program of the U.S. Treasury. As of September 30, 2009, 9,108,695 shares of our common stock and 26,440 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, were issued and outstanding. All outstanding shares of our common stock are fully paid and nonassessable.

Our common stock is traded on the NASDAQ Capital Market under the symbol **CZNC**.

### **Voting Rights**

Each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of directors. The holders of our common stock possess exclusive voting power, except as otherwise provided by law or by articles of amendment establishing any series of our preferred stock, including the voting rights held by holders of our Series A Preferred Stock.

There is no cumulative voting in the election of directors, which means that the holders of a plurality of our outstanding shares of common stock entitled to vote can elect all of the directors then standing for election.

When a quorum is present at any meeting, questions brought before the meeting will be decided by the vote of the holders of a majority of the shares present and voting on such matter, whether in person or by proxy, except when the meeting concerns matters requiring the vote of the holders of a majority of all outstanding shares under applicable law or our articles of incorporation require a higher vote. Our articles of incorporation provide certain anti-takeover provisions that require super-majority votes, which may limit shareholders' rights to effect a change in control, as described below under **Anti-Takeover Provisions of Articles of Incorporation and By-Laws and Pennsylvania Law**.

### **Classification of Board of Directors**

Our articles of incorporation provide for a classified board, to which approximately one-third of our board of directors is elected each year at our annual meeting of shareholders. Accordingly, our directors serve three-year terms rather than one-year terms.

### **Dividends, Liquidation and Other Rights**

Holders of shares of common stock are entitled to receive dividends only when, as and if approved by our board of directors from funds legally available for the payment of dividends, after payment of dividends on our outstanding

series of preferred stock. Our shareholders are entitled to share ratably in our assets legally available for distribution to our shareholders in the event of our liquidation, dissolution or winding up, voluntarily or involuntarily, after payment of, or adequate provision for, all of our known debts and liabilities and of any preferences of Series A Preferred Stock or any other series of our preferred stock that may be outstanding in the future. These rights are subject to the preferential rights of any other series of our preferred stock that may then be outstanding.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of our securities. Our board of directors may issue additional shares of our common stock or rights to purchase shares of our common stock without the approval of our shareholders, except as limited by law and our articles of incorporation.

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## **Preferred Stock**

The rights of holders of our common stock may be limited by the rights of our preferred stock that may be outstanding. Our preferred stock is described below under Description Of Our Preferred Stock And Outstanding Tarp Securities, which description is incorporated by reference.

## **Transfer Agent and Registrar**

The transfer agent and registrar for shares of our common stock is American Stock Transfer & Trust Company.

## **Anti-Takeover Provisions of Articles of Incorporation and By-Laws and Pennsylvania Law**

Our articles of incorporation contain certain provisions that make it more difficult to acquire control of us by means of a tender offer, open market purchase, a proxy fight or otherwise. These provisions are designed to encourage persons seeking to acquire control of us to negotiate with our directors. We believe that, as a general rule, the interests of our shareholders would be best served if any change in control results from negotiations with our directors.

Our articles of incorporation provide for a classified board, to which approximately one-third of our board of directors is elected each year at our annual meeting of shareholders. Accordingly, our directors serve three-year terms rather than one-year terms. The classification of our board of directors has the effect of making it more difficult for shareholders to change the composition of our board of directors. At least two annual meetings of shareholders, instead of one, will generally be required to effect a change in a majority of our board of directors. Such a delay may help ensure that our directors, if confronted by a holder attempting to force a proxy contest, a tender or exchange offer, or an extraordinary corporate transaction, would have sufficient time to review the proposal as well as any available alternatives to the proposal and to act in wh