

CHEVIOT FINANCIAL CORP  
Form DEF 14A  
March 18, 2009

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- p** Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12

Cheviot Financial Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- p** No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

March 18, 2009

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Cheviot Financial Corp. The Annual Meeting will be held at Cheviot Savings Bank, 3723 Glenmore Avenue, Cheviot, Ohio 45211 at 3:00 p.m. (local time) on April 28, 2009.

The enclosed Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted.

We are furnishing proxy materials to our shareholders over the Internet. You may read, print and download our 2008 Annual Report to Shareholders and our Proxy Statement at [www.cfpproxy.com/5556](http://www.cfpproxy.com/5556). On March 18, 2009, we mailed our shareholders a notice containing instructions on how to access these materials and how to vote their shares online. The notice provides instructions on how you can request a paper copy of these materials by mail, by telephone or by email. If you requested your materials via email, the email contains voting instructions and links to the materials on the Internet.

You may vote your shares by Internet, by telephone, by regular mail or in person at the Annual Meeting. Instructions regarding the various methods of voting are contained on the notice card.

The Annual Meeting is being held so that shareholders will be given an opportunity to elect directors and ratify the selection of Clark, Schaefer, Hackett & Co. as our independent registered public accounting firm.

The Board of Directors has determined that the matters to be considered at the Annual Meeting are in the best interest of Cheviot Financial Corp. and its shareholders. For the reasons set forth in the proxy statement, the Board of Directors unanimously recommends a vote "FOR" the proposals presented at the Annual Meeting.

On behalf of the Board of Directors, we urge you to vote your shares as soon as possible even if you currently plan to attend the Annual Meeting. Your vote is important regardless of the number of shares that you own. Voting by proxy will not prevent you from voting in person but will assure that your vote is counted if you are unable to attend the meeting.

Sincerely,

/s/ Thomas J. Linneman  
Thomas J. Linneman  
President and Chief Executive Officer

Cheviot Financial Corp.  
3723 Glenmore Avenue  
Cheviot, Ohio 45211

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held On April 28, 2009

To Our Shareholders:

The Annual Meeting of Shareholders of Cheviot Financial Corp. will be held on Tuesday, April 28, 2009, at 3:00 p.m. Eastern Time at Cheviot Savings Bank, 3723 Glenmore Avenue, Cheviot, Ohio 45211, for the following purposes:

1. To elect two directors each to serve a three-year term;
2. To ratify the selection of Clark, Schaefer, Hackett & Co. as Cheviot Financial Corp.'s independent registered public accounting firm; and
3. To consider any other matters that may properly come before the meeting or any adjournments or postponements of the meeting.

The Board of Directors has established the close of business on March 9, 2009 as the record date for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting. Only shareholders of record at the close of business on the record date are entitled to vote on matters to be presented at the Annual Meeting.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED AT THE ANNUAL MEETING. SHAREHOLDERS HAVE A CHOICE OF VOTING BY PROXY CARD, TELEPHONE OR THE INTERNET, AS DESCRIBED ON YOUR NOTICE CARD. CHECK YOUR NOTICE CARD OR THE INFORMATION FORWARDED BY YOUR BROKER, BANK OR OTHER HOLDER OF RECORD TO SEE WHICH OPTIONS ARE AVAILABLE TO YOU. ANY STOCKHOLDER PRESENT AT THE ANNUAL MEETING MAY WITHDRAW HIS OR HER PROXY AND VOTE PERSONALLY ON ANY MATTER PROPERLY BROUGHT BEFORE THE ANNUAL MEETING.

By Order of the Board of Directors

/s/ James E. Williamson  
James E. Williamson  
Executive Secretary

Cheviot, Ohio  
March 18, 2009

PROXY STATEMENT  
of  
CHEVIOT FINANCIAL CORP.  
3723 Glenmore Avenue  
Cheviot, Ohio 45211

ANNUAL MEETING OF SHAREHOLDERS  
April 28, 2009

We are providing this Proxy Statement to the shareholders of Cheviot Financial Corp. in connection with the solicitation of proxies by the Board of Directors for use at the Annual Meeting of Shareholders. The Annual Meeting will be held on Tuesday, April 28, 2009, at 3:00 p.m. Eastern Daylight Savings Time at Cheviot Savings Bank, 3723 Glenmore Avenue, Cheviot, Ohio 45211. The Notice of Annual Meeting of Shareholders, this Proxy Statement, the accompanying proxy card, and our Annual Report to Shareholders for the year ended December 31, 2008 are first being made available for shareholders on or about March 18, 2009 to our shareholders of record on March 9, 2009.

VOTING AND REVOCATION OF PROXIES

We are making our proxy materials available to our shareholders on the Internet. You may read, print and download our 2008 Annual Report to Shareholders and our Proxy Statement at [www.cfpproxy.com/5556](http://www.cfpproxy.com/5556). On March 18, 2009, we mailed a notice to stockholders containing instructions on how to access our proxy materials and vote online. On an ongoing basis, shareholders may request to receive proxy materials in printed form by mail or electronically by email.

You may revoke your proxy at any time before it is exercised by (i) executing and delivering a later dated proxy to the President of Cheviot Financial Corp. prior to the Annual Meeting, (ii) delivering written notice of revocation of the proxy to the President of Cheviot Financial Corp. prior to the Annual Meeting, (iii) using the Internet or telephone voting options explained in the notice or (iv) attending and voting in person at the Annual Meeting. Attendance at the Annual Meeting, in and of itself, will not constitute a revocation of a proxy. Proxies will be voted as instructed by the shareholder or shareholders granting the proxy. Unless contrary instructions are specified, if the proxy is executed and returned (and not revoked) prior to the Annual Meeting, the shares of common stock, \$0.01 par value per share, represented thereby will be voted: (1) FOR the election of the directors nominated for election to the Board of Directors; (2) FOR the ratification of the selection of our independent registered public accounting firm for 2009; and (3) in accordance with the best judgment of the named proxies on any other matters properly brought before the Annual Meeting.

We are the parent company of Cheviot Savings Bank. We are the majority-owned subsidiary of Cheviot Mutual Holding Company. Since Cheviot Mutual Holding Company owns 61.5% of our outstanding shares of common stock, the votes cast by Cheviot Mutual Holding Company will be determinative in the voting on Proposal 1 (election of directors) and Proposal 2 (ratification of selection of our independent registered public accounting firm).

The presence, in person or by proxy, of holders of a majority of the outstanding shares of common stock is required to constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and "broker non-votes" (shares held by a broker or nominee that does not have the authority, either express or discretionary, to vote on a particular matter) are counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting. The two nominees for election to the Board of Directors who receive the greatest number of affirmative votes cast at the Annual Meeting will be elected as directors. Approval of the ratification of our registered public accounting firm requires that the affirmative vote of the majority of the shares represented at the meeting and

entitled to vote on the proposal. Abstentions and broker non-votes will not be counted as votes cast in the election of nominees for director or other proposals. Proxies and ballots will be received and tabulated by The Registrar and Transfer Company, our transfer agent for the Annual Meeting.

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As of the record date, we had 8,872,504 shares of common stock issued and outstanding of which Cheviot Mutual Holding Company owns 5,455,313 shares. Each holder of shares of our common stock outstanding will be entitled to one vote for each share held of record.

We will bear the expense of preparing, printing and distributing this Proxy Statement and the proxies solicited hereby. Proxies will be solicited by Internet, by telephone or by mail and may also be solicited by our directors, officers and other employees, without additional remuneration, in person or by telephone or facsimile transmission. We will also request brokerage firms, banks, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares of common stock as of the record date and will reimburse such persons for the cost of forwarding the proxy materials in accordance with customary practice. Your cooperation in promptly voting your shares and submitting your proxy will help to avoid additional expense.

#### Stock Ownership of Certain Beneficial Owners and Management

The following table sets forth the beneficial ownership of common stock as of the record date by (i) each beneficial owner of more than five percent (5%) of such outstanding stock, (ii) each director and each executive officer, and (iii) all of our directors and executive officers as a group. Except as otherwise noted, the beneficial owners, directors and executive officers listed have sole voting and investment power with respect to shares beneficially owned by them. Except as described in the footnotes below, none of the shares beneficially owned by directors, executive officers or nominees to the Board of Directors have been pledged as security or collateral for any loans.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class(2)
Cheviot Mutual Holding Company	5,455,313	61.49%
Cheviot Financial Corp. Employee Stock Ownership Plan	357,075 (3)	4.02%
Steven R. Hausfeld	13,262 (4)	*
Edward L. Kleemeier	36,408 (5)	*
Thomas J. Linneman	158,056 (6)	1.78%
John T. Smith	40,780 (7)	*
Robert L. Thomas	35,180 (8)	*
James E. Williamson	33,384 (9)	*
Deborah A. Fischer	48,326 (10)	*
Kevin M. Kappa	95,895 (11)	1.08 %
Jeffrey J. Lenzer	84,715 (12)	*
Scott T. Smith	80,253 (13)	*
All Directors and Executive Officers as a Group (10 persons)	626,259 (14)	7.06%

\* Indicates beneficial ownership of less than 1%.

- (1) The address of all persons listed is: c/o Cheviot Financial Corp., 3723 Glenmore Avenue, Cheviot, Ohio 45211.
- (2) Based on 8,872,504 shares of common stock outstanding on March 9, 2009.
- (3) These shares are held in a suspense account and are allocated among participants annually on the basis of compensation as the employee stock ownership plan debt is repaid. As of the record date, 178,538 shares have been allocated to employee stock ownership plan participants. Messrs. Thomas J. Linneman and Scott T. Smith have been appointed to serve as employee stock ownership plan administrators for the employee stock ownership plan. First Bankers Trust is the employee stock ownership plan trustee. The Employee Stock Ownership Plan Committee directs the vote of all unallocated shares and shares allocated to participants if timely voting directions are not received for such shares. Messrs. Linneman and Smith disclaim beneficial

ownership for share voted by the Employee Stock Ownership Plan Committee.

- (4) These shares include 200 shares as to which Mr. Hausfeld has shared voting and investment power. Includes 1,710 shares of restricted stock and options to acquire 5,352 shares which were exercisable within 60 days of the record date.
- (5) These shares include 1,428 shares owned by jointly Mr. Kleemeier's spouse and a third person for which he does not have voting or investment power and disclaims beneficial ownership. Includes 7,140 shares of restricted stock and options to acquire 17,840 shares which were exercisable within 60 days of the record date.
- (6) These shares include 12,500 shares owned by Mr. Linneman's spouse for which he does not have voting or investment power and as to which he disclaims beneficial ownership, and 17,356 employee stock ownership plan shares over which Mr. Linneman has shared voting power, but no investment power. In addition, includes 35,700 shares of restricted stock and options to acquire 80,000 shares which are exercisable within 60 days of the record date.

(Footnotes continued on next page)



- (7) These shares include (a) 2,500 shares of common stock owned by Mr. Smith's spouse for which he does not have voting or investment power and as to which he disclaims beneficial ownership. Includes 7,140 shares of restricted stock and options to acquire 17,840 shares of common stock which were exercisable within 60 days of the record date. Mr. Smith has pledged 2,500 shares as security for a loan.
- (8) Includes 7,140 shares of restricted stock and options to acquire 17,840 shares of common stock which were exercisable within 60 days of the record date.
- (9) These shares include 877 shares of common stock owned by Mr. Williamson's spouse for which he does not have voting or investment power. Includes 7,140 shares of restricted stock and options to acquire 17,840 shares of common stock which were exercisable within 60 days of the record date.
- (10) These shares include (a) 5,567 shares owned by Mrs. Fischer's spouse for which she does not have voting or investment power and as to which she disclaims beneficial ownership and (b) 11,680 shares of common stock allocated to Mrs. Fischer's account under the Cheviot Savings Bank 401(k) Retirement Savings Plan and (c) 7,199 employee stock ownership plan shares. Includes 4,280 shares of restricted stock and options to acquire 9,600 shares which are exercisable within 60 days of the record date.
- (11) These shares include (a) 8,385 shares of common stock owned by Mr. Kappa's spouse for which he does not have voting or investment power and as to which he disclaims beneficial ownership and (b) 2,974 shares of common stock allocated to Mr. Kappa's account under the Cheviot Savings Bank 401(k) Retirement Savings Plan and (c) 10,359 employee stock ownership plan shares. Includes 17,917 shares of restricted stock and options to acquire 46,400 shares which are exercisable within 60 days of the record date.
- (12) These shares include 4,402 shares of common stock owned by Mr. Lenzer's spouse for which he does not have voting or investment power and as to which he disclaims beneficial ownership and 11,085 employee stock ownership plan shares. Includes 16,426 shares of restricted stock and options to acquire 48,400 shares which are exercisable within 60 days of the record date. Mr. Lenzer has pledged 16,188 shares as security for a loan.
- (13) These shares include 11,750 shares of common stock owned by Mr. Smith's spouse for which he does not have voting or investment power, 1,500 shares owned by Mr. Smith's children and 8,973 employee stock ownership plan shares. Includes 14,280 shares of restricted stock and options to acquire 32,000 shares which are exercisable within 60 days of the record date.
- (14) These shares include shares of common stock held directly as well as by spouses or minor children, in trust and other indirect ownership. In the aggregate, our directors and executive officers disclaim beneficial ownership of and do not have voting or investment power for 49,109 of the shares.

#### PROPOSAL 1 – ELECTION OF DIRECTORS

Our Charter requires that the Board of Directors be divided into three classes, as nearly equal in number as possible, each class to serve for a three-year period, with approximately one-third of the directors elected each year. The Board of Directors currently consists of six members. Two directors will be elected at the Annual Meeting, each to serve for a three-year term expiring in 2012 and until their successors have been elected and qualified.

The Board has nominated Steven R. Hausfeld and Thomas J. Linneman, each of whom is a current director, each to serve until the 2012 Annual Meeting of Shareholders. Information regarding the business experience of each nominee as well as each of the other directors is provided below.

Unless otherwise directed, the persons named in the proxy intend to vote all proxies FOR the election of Messrs. Hausfeld and Linneman to the Board of Directors. The nominees have consented to serve as our directors if elected. If, at the time of the Annual Meeting, any of the nominees is unable or declines to serve as a director, the discretionary authority provided in the enclosed proxy will be exercised to vote for a substitute candidate designated by the Board of Directors. The Board of Directors has no reason to believe any of the nominees will be unable or will decline to serve as a director.

Each director, including the director nominees, who was a director of Cheviot Savings Bank on the date Cheviot Savings Bank reorganized into the mutual holding company structure continued to serve as a director of Cheviot Savings Bank and became a director of each of Cheviot Financial Corp. and Chevi