

CODORUS VALLEY BANCORP INC

Form 8-K

November 15, 2016

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) – November 9, 2016

CODORUS VALLEY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other
jurisdiction of
incorporation)

0-15536

(Commission File (IRS Employer
Number)

23-2428543

Number)

105 Leader Heights Road

P.O. Box 2887

York, Pennsylvania

(Address of principal executive offices)

17405-2887

(Zip code)

717-747-1519

(Registrant's telephone number including area code)

N/A

(Former name or 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 Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 9, 2016, the Board of Directors of Codorus Valley Bancorp, Inc. (the “Company”) and its wholly owned subsidiary, PeoplesBank, a Codorus Valley Company (the “Bank”) appointed Charles T. Field, CPA, age 51, to the position of Treasurer and Assistant Secretary of the Company and Senior Vice President and Chief Financial Officer of the Bank. His annual salary has been set at \$215,000 and he is entitled to participate in the Company’s benefit and equity incentive plans on the same basis as other executives of the Company.

Mr. Field most recently served as Senior Vice President and Chief Financial Officer for East River Bank in Philadelphia, PA from 2014 to 2016. Prior to working for East River Bank, he held the same position with the Westchester Bank Holding Corporation and Interchange Financial Services from 2008 to 2013 and held the position of Manager in the Financial Institutions Audit Group for Deloitte & Touche, LLP.

In connection with his employment, Mr. Field entered into a Change in Control Agreement with the Company and the Bank. The terms and conditions of the Agreement provide Mr. Field is entitled to receive certain cash compensation and employee benefits in the event he is terminated by the Company or Bank (or an acquirer or successor thereof) without “good cause,” or, in certain specified circumstances, by Mr. Field, in each case within two (2) years after the occurrence, of a “change in control.” More specifically, the Agreement provides that upon a termination pursuant to a “change of control,” he is entitled to be paid cash compensation in an amount equal to one (1) times the sum of his highest annual base salary during one of the three immediately preceding calendar years, plus his cash bonus earned during the same period. Payment of this cash compensation is to be made in a single lump sum within ten (10) days after the termination of employment. In addition, he would be entitled to continue participation in the Bank’s employee benefit plans for a period of one (1) year; provided that if participation in any health, medical life insurance or disability plan is barred, the Bank will be required to pay for an individual plan with substantially equivalent coverage.

The Agreement defines “change in control” as:

a change in ownership of the Company or the Bank such that any person or group of persons acquires stock that causes such person or group to own more than 50% of the total fair market value or total voting power of the stock of the Corporation or the Bank;

a change in the effective control of the Company or the Bank such that any person or group acquires during any 12 month period stock of the Company or the Bank possessing 35% or more of the total voting power of the stock of the Company or the Bank, or a majority of the membership of the Board of Directors of the Company is replaced in any 12 month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election, or
a change in the ownership of a substantial portion of the assets of the Company or the Bank during any 12 month period such that any person or group acquires assets from the Company or the Bank with a total gross fair market value of at least 40% of all of the assets of the Company or the Bank immediately prior to the acquisition.

“Good cause” is defined in the Agreement to mean (a) the willful failure to substantially perform his duties as an officer of the Company or Bank following receipt of written notice of such failure; (b) the willful engaging in misconduct injurious to the Company or Bank; (c) dishonestly or gross negligence in the performance of his duties; (d) breach of a fiduciary duty involving personal profit; (e) the violation of any law, rule, or regulation governing banks or bank officers or any final cease and desist order issued by a bank regulatory authority, any of which materially jeopardizes the business of the Company or Bank; or (f) moral turpitude or other conduct which brings public discredit to the Company or Bank.

Should he terminate his employment for any of the following reasons following a change in control of the Company or the Bank, he will be entitled to receive the benefits payable under the Agreement: (a) reduction in his responsibilities, including reporting responsibilities, or authority, including such responsibilities or authorities as may be increased from time to time; (b) reassignment to a principal place of employment which is more than twenty-five (25) miles from his principal place of employment immediately prior to the change in control; (c) material reduction in annual bases salary as the same may be increased from time to time; (d) failure to provide him with benefits at least as favorable as those enjoyed by him under Company or Bank’s retirement or pension, life insurance, medical, health and accident, disability or other employee or incentive compensation plans in which he participated or the taking of any action that would materially reduce any of such benefits, unless such reduction is part of a reduction applicable in each case to all employees; or (e) any material breach of the Agreement by the company or Bank.

The above summary is qualified in its entirety by reference to the full text of the Form of Change of Control Agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference. The press release issued by the Company announcing the hiring of Mr. Field is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

No. Description

10.1 Change of Control Agreement by and among Codorus Valley Bancorp, Inc., PeoplesBank, A Codorus Valley Company and Charles T. Field, dated November 9, 2016.

99.1 Press Release of Codorus Valley Bancorp, Inc. dated November 15, 2016.

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.

Codorus Valley Bancorp, Inc.
(Registrant)

Date: November 15, 2016 /s/ Larry J. Miller
Larry J. Miller
President and Chief
Executive Officer
(Principal Executive Officer)

EXHIBIT INDEX

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