

UNITED BANKSHARES INC/WV

Form PRE 14A

November 07, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
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 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

UNITED BANKSHARES, INC.

(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):

- No fee required.
- 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: _____

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

Table of Contents

**UNITED BANKSHARES, INC.
P. O. BOX 1508
UNITED SQUARE
FIFTH AND AVERY STREETS
PARKERSBURG, WEST VIRGINIA 26101
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to the call of its Board of Directors, a Special Meeting of the Shareholders of United Bankshares, Inc. will be held at _____, on _____, December _____, 2008, at _____, local time, for the purpose of considering and voting upon the following matters:

1. To approve an amendment to Article VI of United's Articles of Incorporation to authorize the issuance of preferred stock.
2. To grant management the authority to adjourn, postpone or continue the Special Meeting.
3. To act upon any other business which may properly come before this Special Meeting or any adjournment or adjournments thereof. The Board of Directors at present knows of no other business to come before this Special Meeting.

The close of business on October 31, 2008, has been fixed by the Board of Directors as the record date for determining the shareholders entitled to notice of and to vote at this Special Meeting.

WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE REGARDLESS OF YOUR PLANS TO ATTEND THIS MEETING. IF YOU DO ATTEND, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

TWO INDIVIDUALS, WHO ARE NOT DIRECTORS OF UNITED, HAVE BEEN NAMED IN THE PROXY TO VOTE THE SHARES REPRESENTED BY PROXY. IF YOU WISH TO CHOOSE SOME OTHER PERSON TO ACT AS YOUR PROXY, MARK OUT THE PRINTED NAME AND WRITE IN THE NAME OF THE PERSON YOU SELECT.

By Order of the Board of Directors
Richard M. Adams
Chairman of the Board and
Chief Executive Officer
_____, 2008

Table of Contents

**UNITED BANKSHARES, INC.
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

TIME

_____, December _____, 2008

PLACE

ITEMS OF BUSINESS

- (1) To amend Article VI of United Bankshares, Inc.'s Articles of Incorporation to authorize the issuance of preferred stock.
- (2) To grant management the authority to adjourn, postpone or continue the Special Meeting.
- (3) To transact such other business as may properly come before the meeting and any adjournment thereof.

WHO MAY VOTE

You can vote if you were a shareholder of record on October 31, 2008.

PROXY VOTING

Your vote is important. Please vote in one of these ways:

- (1) Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope provided; or
- (2) Submit a ballot at the Special Meeting.

Richard M. Adams
Chairman of the Board

**YOUR VOTE IS IMPORTANT,
WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING,
PLEASE VOTE YOUR SHARES PROMPTLY.**

TABLE OF CONTENTS

<u>Voting Information</u>	1
<u>Introduction to Proposals to Be Voted On</u>	5
<u>Proposal 1: Approve Amendment of Article VI of the Articles of Incorporation to Authorize Issuance of Preferred Stock</u>	6
<u>Description of the Preferred Stock</u>	9
<u>Additional Terms of the Capital Purchase Program</u>	14
<u>Proposal 2: To grant management the authority to adjourn, postpone or continue the Special Meeting</u>	16
<u>Common Stock Ownership of Certain Beneficial Owners and Management</u>	17
<u>Requirements, Including Deadlines, For Submission Of Proxy Proposals, Nominations Of Directors, And Other Business Of Shareholders</u>	21
<u>Form 10-K</u>	22
<u>Appendix A: Proposed Amendment to United Bankshares, Inc. Articles of Incorporation, as Amended</u>	

Table of Contents

**PROXY STATEMENT
VOTING INFORMATION**

Purpose

This Proxy Statement and the accompanying proxy card are being mailed to the shareholders of United Bankshares, Inc. (United, the Company, we, or us) beginning on or about _____, 2008. The United Board of Directors is soliciting proxies to be used at the Special Meeting of Shareholders of United, which will be held on _____, December _____, 2008, at _____, at _____. Proxies are solicited to give all shareholders of record an opportunity to vote on matters to be presented at the Special Meeting. In the following pages of this Proxy Statement, you will find information on matters to be voted upon at the Special Meeting or any adjournment of that meeting.

Who Can Vote

You are entitled to vote if you were a shareholder of record of United stock as of the close of business on October 31, 2008, the record date. Your shares can be voted at the meeting only if you are present or represented by a valid proxy.

Quorum and Shares Outstanding

A majority of the votes entitled to be cast by the holders of the outstanding shares of United stock must be present, either in person or represented by proxy, in order to conduct the Special Meeting. On October 31, 2008, 43,337,472 shares of United stock were outstanding.

Proxies

Shareholders of record may vote their proxies by mail, in person, by telephone or by Internet.

Proxies may be revoked at any time before they are exercised by (1) written notice to the Secretary of the Company, (2) timely delivery of a valid, later-dated proxy or (3) voting at the Special Meeting.

You may save us the expense of a second mailing by voting promptly. Choose one of the following voting methods to cast your vote.

Vote By Mail

If you choose to vote by mail, simply mark your proxy, date and sign it, and return it to us in the postage-paid envelope provided.

Vote By Telephone or Internet

If you have telephone or Internet access, you may submit your proxy by following the instructions on the proxy card.

Table of Contents

Vote at the Special Meeting

The method by which you vote now will in no way limit your right to vote at the Special Meeting if you later decide to attend in person. **If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the Special Meeting.**

All shares that have been properly voted and not revoked will be voted at the Special Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

Voting on Other Matters

If any other matters are properly presented for consideration at the Special Meeting, the persons named in the enclosed form of proxy will have the discretion to vote on those matters for you. On the date this proxy statement went to press, we do not know of any other matter to be raised at the Special Meeting.

Required Vote

Amendment to Articles of Incorporation

The amendment to Article VI of the Articles of Incorporation requires that a majority of the votes entitled to be cast by the holders of the outstanding shares of United stock be present at the Special Meeting, either in person or represented by proxy, and that the majority of the votes cast at the Special Meeting be voted in favor of the amendment. Abstentions and broker non-votes are considered as votes against the proposal to amend United Articles of Incorporation.

The adjournment, postponement or continuation of the Special Meeting also requires that a majority of the votes entitled to be cast by the holders of the outstanding shares of United stock be present at the Special Meeting, either in person or represented by proxy, and that the majority of the votes cast at the Special Meeting be voted in favor of adjournment, postponement or continuation. Abstentions and broker non-votes are not considered as votes cast on a proposal to adjourn, postpone or continue.

On October 31, 2008, there were 43,337,472 shares of common stock outstanding that are held by approximately 6,646 shareholders of record and 17,467 shareholders in street name. The presence in person or proxy of a majority of the outstanding shares of United Bankshares, Inc. will constitute a quorum at the Meeting.

Appraisal Rights

Under applicable West Virginia law, United's shareholders are not entitled to appraisal rights with respect to the proposal to approve the amendment to United's Articles of Incorporation to authorize the issuance of preferred stock or the proposal to adjourn, postpone or continue the Special Meeting.

Revocation of Proxy

If you vote by proxy, you may revoke that proxy at any time before it is voted at the Special Meeting. You may do this by (1) signing another proxy card with a later date and returning it to us prior to the Special Meeting, or (2) attending the Special Meeting in person and casting a ballot.

Table of Contents

Shares Held in Street Name

If your United shares are held by a bank, broker or other nominee, then that party is considered the shareholder of record for voting purposes and should give you instructions for voting your shares. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission, facsimile transmission or by telegram. Brokers, fiduciaries, custodians and other nominees have been requested to forward solicitation materials to the beneficial owners of the Company's common stock. Upon request we will reimburse these entities for their reasonable expenses.

In order to facilitate and expedite distribution of these proxy solicitation materials to brokers, fiduciaries, custodians, nominee holders and institutional investors, United has retained BNY Mellon Investor Services of Jersey City, New Jersey (Mellon). Pursuant to a retention letter dated _____, 2008, Mellon will contact all broker and other nominee accounts identified on United's shareholder mailing list in order to facilitate determination of the number of sets of proxy materials such accounts require for purposes of forwarding the same to the beneficial owners. Mellon will then assist in the delivery of proxy materials to these accounts for distribution. Mellon will also (i) assist in the distribution of proxy materials to institutional investors, and (ii) follow-up with any brokers, other nominee accounts and institutional investors, requesting return of proxies. United is not retaining Mellon to solicit proxies from registered holders or from non-objecting beneficial owners. Mellon's fee for the above services is \$_____ plus reasonable disbursements that may include the broker search, printing, postage, courier charges, filing reports, data transmissions and other expenses approved by United.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to our shareholders, we are relying upon Securities and Exchange Commission (SEC) rules that permit us to deliver only one proxy statement to multiple shareholders who share an address unless we received contrary instructions from any shareholders at that address. If you share an address with another shareholder and have received only one proxy statement and annual report, you may write or call us as specified below to request a separate copy of these materials and we will promptly send them to you at no cost to you. For future meetings, if you hold shares directly registered in your own name, you may request separate copies of our proxy statement, or request that we send only one set of these materials to you if you are receiving multiple copies, by contacting us at: United Bankshares, Inc., Shareholder Relations, 514 Market Street, Parkersburg, WV 26102 or by telephoning us at (304) 424-8800.

List of Shareholders

If a shareholder requests a list of shareholders entitled to vote at the Special Meeting for purposes of soliciting the shareholders or sending a written communication to the shareholders, then the Company will either (i) provide the list to the requesting shareholder upon receipt of an affidavit of the requesting shareholder that he will not use the list for any purpose other than to solicit shareholders with respect to the Special Meeting; or (ii) mail the requesting shareholder's materials to the shareholders.

Table of Contents

Attending the Special Meeting

The Special Meeting will be held on _____, December _____, 2008 at _____ at _____.
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Table of Contents

INTRODUCTION TO PROPOSALS TO BE VOTED ON

Summary

The Board of Directors recommends that the shareholders approve a proposed amendment to United's Articles of Incorporation as described in this Proxy Statement. This amendment would allow the Board of Directors to issue preferred stock with such designations, preferences, rights, qualifications, limitations and restrictions as determined by the Board of Directors. This amendment will, among other things, allow United to participate in a recently-announced voluntary program for direct investment in financial institutions by the U.S. government. This proposed amendment will also give United increased flexibility in structuring capital raising transactions, acquisitions and/or joint ventures. The amendment to United's Articles of Incorporation will have certain anti-takeover effects with respect to United, as discussed below.

Capital Purchase Program

On October 14, 2008 the U.S. Treasury (the "Treasury") announced that, pursuant to the Emergency Economic Stabilization Act, it was implementing a voluntary program (the "Capital Purchase Program") for certain financial institutions to raise capital by selling preferred stock directly to the U.S. Government. The purpose of the Capital Purchase Program is to encourage U.S. financial institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. The Capital Purchase Program is designed to provide capital to financial institutions on attractive terms. Financial institutions seeking to participate in the Capital Purchase Program must apply by November 14, 2008. The Treasury will determine the eligibility of financial institutions and the amount of capital to be allocated to each institution. Under the terms of the Capital Purchase Program, United may be eligible to receive an investment by the U.S. Government of approximately \$197 million based on United's risk-weighted assets as of September 30, 2008. We cannot assure you that the Treasury will determine to purchase preferred stock from us even if the amendment to the Articles of Incorporation is adopted. For more information on the terms of the Capital Purchase Program, see "Description of the Preferred Stock - Capital Purchase Program" beginning on page [___] of this Proxy Statement.

Our Articles of Incorporation currently do not authorize preferred stock. To participate in the Capital Purchase Program, we must be authorized to issue preferred stock. If the proposal described below is not approved by the shareholders, we may be unable to participate in the Capital Purchase Program. For more information on the proposed amendment to the Articles of Incorporation, see "Proposal 1: Approve Amendment of Article VI of the Articles of Incorporation to Authorize the Issuance of Preferred Stock" on page [___] of this Proxy Statement.

Other Preferred Stock Financings

We anticipate that the amount of preferred stock proposed to be authorized will be sufficient for future capital raising transactions in addition to the Capital Purchase Program. Therefore, the Board of Directors believes that, in addition to meeting the requirements for participation in the Capital Purchase Program, the proposed amendments will provide United with greater flexibility in structuring future capital raising transactions and allow United to take advantage of changing market conditions with little or no delay.

Table of Contents

**PROPOSAL 1: APPROVE AMENDMENT OF ARTICLE 4 OF
THE ARTICLES OF INCORPORATION TO AUTHORIZE
THE ISSUANCE OF PREFERRED STOCK**

Background

United's Articles of Incorporation currently authorize 100,000,000 shares of common stock with a par value of \$2.50 per share as the sole class of capital stock of United. United's Articles of Incorporation currently do not authorize the issuance of preferred stock. This limits United's capital structure by preventing United from issuing preferred stock to raise capital and may prevent it from taking advantage of certain recently developed financing techniques to raise capital. For example, various types of hybrid capital instruments that receive favorable treatment by regulatory agencies and credit rating agencies have been developed. However, United can only take advantage of these instruments if it is able to issue preferred stock.

Proposed Amendment

United's Articles of Incorporation, as proposed to be amended, would authorize 50,000,000 shares of preferred stock and the number of shares of common stock would remain unchanged at 100,000,000 shares. The authorized preferred stock may be issued by the Board of Directors in one or more series, from time to time, with each such series to consist of such number of shares and to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by our Board of Directors. The proposed amendment will allow United more flexibility in its capital structure generally and will potentially allow United to participate in the Capital Purchase Program by issuing preferred stock with the terms described in "Description of the Preferred Stock - Capital Purchase Program" on page ___ of this Proxy Statement.

On November 6, 2008, the Board of Directors adopted the proposed amendment to the Articles of Incorporation, subject to shareholder approval. The proposed amendment is attached as Appendix A to this Proxy Statement, and this discussion is qualified in its entirety by reference to Appendix A. The full text of Article VI of the Articles of Incorporation, as it is proposed to be amended, is set forth below:

VI. A. The amount of authorized capital stock of the Corporation is Three Hundred Million Dollars (\$300,000,000.00), which shall be divided into One Hundred Million (100,000,000.00) shares of common stock with the par value of Two Dollars and Fifty Cents (\$2.50) per share and Fifty Million (50,000,000) shares of preferred stock with the par value of One Dollar (\$1.00) per share.

B. The authorized shares of preferred stock of the Corporation may be issued from time to time in one or more series as determined by the Corporation's Board of Directors, which is also authorized to determine the number of shares authorized for issuance in each series.

Table of Contents

C. All shares of a series of preferred stock shall have preferences, limitations, and relative rights identical with those of other shares of the same series. The Board of Directors is authorized to determine the preferences, limitations, and relative rights of each series of shares, including but not limited to authorizing one or more series of preferred stock that:

1. Have special, conditional or limited voting rights, or no right to vote, except to the extent prohibited by Chapter 31D of the West Virginia Code;
2. Are redeemable or convertible: (a) at the option of the Corporation, the shareholder, or another person or upon the occurrence of a designated event; (b) for cash, indebtedness, securities, or other property; or (c) in a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events;
3. Entitle the holders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative; or
4. Have preference over any other class of shares with respect to distributions, including dividends and distributions upon the dissolution of the corporation.

D. The preferences, limitations, and relative rights of each series of preferred shares shall be determined by the Board of Directors before issuing such shares and shall be expressed in articles of amendment that shall be effective without shareholder approval and shall be delivered to the Secretary of State of the State of West Virginia for filing pursuant to Chapter 31D, Article 6, Section 602 of the West Virginia Code, as amended, and as otherwise permitted by Chapter 31D, Article 8, Section 825 of the West Virginia Code, as amended.

In accordance with the provisions of the West Virginia Corporate Code, the Board of Directors will be authorized to determine the preferences, limitations, and relative rights of (i) any preferred stock before the issuance of any shares of preferred stock and (ii) one or more series of preferred stock before the issuance of any shares of that series.

If approved, the proposed amendment to the Articles of Incorporation will become effective upon the filing of the Articles of Amendment to the current Articles of Incorporation with the Secretary of State of the State of West Virginia, which United expects to occur promptly after the Special Meeting.

Table of Contents

Reasons for the Amendment

The Board of Directors believes that, in light of the continuing weak economic conditions, United should take all necessary steps to achieve higher capital levels that will position United to remain strong through this crisis, including participating in the Capital Purchase Program. We believe the ability to issue preferred stock is necessary for United to receive capital pursuant to the Capital Purchase Program. In addition, the Board of Directors believes this change will provide United with greater flexibility in structuring future capital raising transactions, acquisitions and/or joint ventures, including taking advantage of financing techniques that receive favorable treatment from regulatory agencies and credit rating agencies. Being able to issue preferred stock without shareholder approval will enable United to engage in financing transactions and acquisitions which take full advantage of changing market conditions with little or no delay.

Potential Effects of the Proposed Amendment

The actual effect of the issuance of any shares of the Preferred Stock upon the rights of the holders of common stock cannot be stated until the Board of Directors determines the specific rights of any shares of the Preferred stock. However, the effects might include, among other things, restricting dividends on common stock, diluting the voting power of the common stock, reducing the market price of the common stock or impairing the liquidation rights of the common stock without further action by the shareholders. Holders of United's common stock will not have preemptive rights with respect to the Preferred Stock.

In deciding whether to issue shares of preferred stock, the Board of Directors will consider the terms of such stock and the effect of the issuance on the operating results of United and its existing shareholders. The Board of Directors may issue preferred stock for capital raising transactions, acquisitions, joint ventures or other corporate purposes that has the effect of making an acquisition of the Company more difficult or costly, as could also be the case if the Board were to issue additional common stock for such purposes. The Board of Directors will, in the exercise of their fiduciary duties to the shareholders, weigh all factors carefully, together with the needs and prospects of the Company, before committing to the issuance of further shares not requiring shareholder approval. The Board of Directors does not propose this amendment for the purpose of discouraging mergers or changes in control of United.

The Board intends to issue the shares of preferred stock and the common stock warrants as soon as possible under the Capital Purchase Program. None of United's directors or executive officers has any financial or other personal interest in this proposal except as described herein.

The Board of Directors believes that the preferred stock is in the best interests of the Company and its shareholders because it is consistent with sound corporate governance principles and enhances the Company's ability to take advantage of the Capital Purchase Program and other capital raising transactions, acquisitions and/or joint ventures.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO APPROVE THE AMENDMENT OF ARTICLE VI OF THE ARTICLES OF INCORPORATION TO AUTHORIZE THE ISSUANCE OF PREFERRED STOCK.

Table of Contents

DESCRIPTION OF THE PREFERRED STOCK

General

The proposed amendment to the Articles of Incorporation would grant the Board of Directors the authority to issue 50,000,000 shares of preferred stock with the par value of \$1.00 per share without further shareholder approval. The preferred stock would be issuable in one or more series, from time to time, with each such series to consist of such number of shares and to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors.

Capital Purchase Program

The following is a brief description of the terms of the shares (the Preferred Shares) of preferred stock that we may issue to the Treasury through the Capital Purchase Program. This description is based upon information currently available to us concerning the terms of the Capital Purchase Program and does not purport to be complete in all respects. The final terms of the Preferred Shares will be specified by resolution of our Board of Directors in a subsequent amendment to our Articles of Incorporation.

General

Under our Articles of Incorporation, as proposed to be amended, we will have authority to issue up to 50 million shares of preferred stock with the par value of \$1.00 per share. Pending approval of the amendment to our Articles of Incorporation as described in this Proxy Statement and the approval of the Treasury, we anticipate issuing approximately _____ Preferred Shares, at a purchase price of \$1,000 per share, for an aggregate purchase price of approximately \$_____, and a liquidation price of \$1,000 per share, pursuant to the Capital Purchase Program based on our risk-weighted assets as of September 30, 2008. Subject to limitations on use of proceeds that may be specified by the Treasury, we intend to use the proceeds of the issuance of the Preferred Shares for general corporate purposes, which may include deploying such proceeds to strengthen the capital positions of our subsidiary banks. When issued, the Preferred Shares will be validly issued, fully paid and nonassessable. The holders of Preferred Shares will be entitled to receive cash dividends when, as and if declared out of assets legally available for payment in respect of the Preferred Shares by our Board of Directors or a duly authorized committee of the Board of Directors in their sole discretion. Dividends will be cumulative.

Prior to the issuance of the Preferred Shares, we will have filed Articles of Amendment to our Articles of Incorporation with respect to the Preferred Shares with the Secretary of State of West Virginia. When issued, the Preferred Shares will have a fixed liquidation preference of \$1,000 per share. If we liquidate, dissolve or wind up our affairs, holders of Preferred Shares will be entitled to receive, out of our assets that are available for distribution to shareholders, an amount per Preferred Share equal to the liquidation preference per Preferred Share plus any unpaid dividends for all prior Dividend Periods plus a *pro rata* portion of the dividend for the then-current Dividend Period to the date of liquidation. The Preferred Shares will not be convertible into our common stock or any other class or series of our securities and will not be subject to any sinking fund or any other obligation of us for their repurchase or retirement.

Table of Contents

Ranking

With respect to the payment of dividends and the amounts to be paid upon liquidation, the Preferred Shares will rank:

senior to our common stock and all other equity securities designated as ranking junior to the Preferred Shares; and

at least equally with all other equity securities designated as ranking on parity with the Preferred Shares as to payment of dividends or the amounts to be paid upon liquidation, as applicable.

For as long as any Preferred Shares remain outstanding, unless all accrued and unpaid dividends for all prior Dividend Periods are fully paid:

no dividend whatsoever may be paid or declared on our common stock or other junior stock or other equity securities designated as ranking on parity with the Preferred Shares as to payment of dividends (dividend parity stock), other than, in the case of dividend parity stock, dividends paid on a *pro rata* basis with the Preferred Shares;

no common stock or other junior stock or dividend parity stock may be purchased, redeemed or otherwise acquired for consideration by us.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise), as may be determined by our Board of Directors (or a duly authorized committee of the board), may be declared and paid on our common stock and any other stock ranking equally with or junior to the Preferred Shares from time to time out of any funds legally available for such payment, and the Preferred Shares shall not be entitled to participate in any such dividend; *provided, however*, that the consent of the Treasury will be required for any increase in the dividends paid to the common stock until the earlier of (i) the third anniversary of the date of issue of the Preferred Shares and (ii) the date on which the Preferred Shares have been redeemed in whole or the Treasury has transferred all Preferred Shares to third parties.

Dividends

Holders of Preferred Shares, in preference to the holders of our common stock and of any other shares of our stock ranking junior to the Preferred Shares as to payment of dividends, will be entitled to receive, only when, as and if declared by our Board of Directors or a duly authorized committee of the board, out of assets legally available for payment, cash dividends. The Preferred Stock will pay cumulative compounding dividends at a rate of 5.00% per annum until the fifth anniversary of the date of issuance, and thereafter at a rate of 9.00% per annum (the Dividend Rate), applied to the \$1,000 liquidation preference price per share and will be paid quarterly in arrears on the 15th day of February, May, August and November of each year commencing on February 15, 2009 (each, a Dividend Payment Date), with respect to the Dividend Period, or portion thereof, ending on the day preceding the respective Dividend Payment Date. A Dividend Period means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date, except that the first Dividend Period for the initial issuance of Preferred Shares will commence upon the date of original issuance of the Preferred Shares. Dividends will be paid to holders of record on the respective date fixed for that purpose by our Board of Directors or a committee thereof in advance of payment of each particular dividend.

Table of Contents

The amount of dividends payable per Preferred Share on each Dividend Payment Date will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The Federal Reserve is authorized to determine, under certain circumstances relating to the financial condition of a bank holding company, such as us, that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. In addition, we are subject to West Virginia state laws relating to the payment of dividends.

Conversion Rights

The Preferred Shares will not be convertible into shares of any other class or series of our stock.

Redemption

The Preferred Shares may not be redeemed prior to the third anniversary of the date of issuance, except with the proceeds of one or more Qualified Equity Offerings (as defined below) that results in proceeds to us of not less than 25% of the aggregate issue price of the Preferred Shares. A Qualified Equity Offering is the sale and issuance by us, following the date of issuance of the Preferred Shares, of perpetual preferred stock, common stock or combination of such stock for cash that qualifies as Tier 1 capital under the risk-based capital guidelines of the Federal Reserve. The Preferred Shares may be redeemed, in whole or in part, on any date after the third anniversary of the date of issuance the Preferred Shares, from any source of funds. Any such redemption will be at a cash redemption preference of \$1,000 per Preferred Share, plus any unpaid dividends for all prior Dividend Periods for that Share, plus a *pro rata* portion of the dividend for the then-current Dividend Period to the redemption date. Holders of Preferred Shares will have no right to require the redemption or repurchase of the Preferred Shares.

Following the redemption in whole of the Preferred Stock held by the Treasury or the Transfer by the Treasury of all the Preferred Stock to one or more third parties, United shall have the right to repurchase any other equity security of United held by the Treasury at fair market value.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Preferred Shares is subject to prior approval of the Federal Reserve. Subject to this limitation or of any outstanding debt instruments, we or our affiliates may from time to time purchase any outstanding Preferred Shares by tender, in the open market or by private agreement.

Liquidation Rights

In the event that we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of Preferred Shares will be entitled to receive an amount per Preferred Share (the Total Liquidation Amount) equal to the fixed liquidation preference of \$1,000 per Preferred Share, plus any unpaid dividends for all prior Dividend Periods plus a *pro rata* portion of the dividend for the then-current Dividend Period to the date of liquidation. Holders of the Preferred Shares will be entitled to receive the Total Liquidation Amount out of our assets that are available for distribution to shareholders, after payment or provision for payment of our debts and other liabilities but before any distribution of assets is made to holders of our common stock or any other shares ranking, as to that distribution, junior to the Preferred Shares.

If our assets are not sufficient to pay the Total Liquidation Amount in full to all holders of Preferred Shares and all holders of any shares of our stock ranking as to any such distribution on a parity

Table of Contents

with the Preferred Shares, the amounts paid to the holders of Preferred Shares and to such other shares will be paid *pro rata* in accordance with the respective Total Liquidation Amount for those holders. If the Total Liquidation Amount per Preferred Share has been paid in full to all holders of Preferred Shares and the liquidation preference of any other shares ranking on parity with the Preferred Shares has been paid in full, the holders of our common stock or any other shares ranking, as to such distribution, junior to the Preferred Shares will be entitled to receive all of our remaining assets according to their respective rights and preferences.

For purposes of the liquidation rights, neither the sale, conveyance, exchange or transfer of all or substantially all of our property and assets, nor the consolidation or merger by us with or into any other corporation or by another corporation with or into us will constitute a liquidation, dissolution or winding up of our affairs.

Voting Rights

Except as indicated below or otherwise required by law, the holders of Preferred Shares will not have any voting rights.

If and whenever the dividends on the Preferred Shares have not been declared and paid in an aggregate amount equal to at least six Dividend Periods (whether or not consecutive), the number of directors then constituting our Board of Directors will be increased by two. Holders of Preferred Shares, together with the holders of all other affected classes and series of voting parity stock, voting as a single class, will be entitled to elect the two additional members of our Board of Directors (the Preferred Stock Directors) at any annual meeting of shareholders or any special meeting of the holders of Preferred Shares and any voting parity stock for which dividends have not been paid.

Whenever all dividends on the Preferred Shares and any other cumulative voting parity stock have been paid in full and dividends on any non-cumulative voting parity stock have been paid for four consecutive quarters, then the right of the holders of Preferred Shares to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of these voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), the terms of office of all Preferred Stock Directors will immediately terminate and the number of directors constituting our Board of Directors will be reduced accordingly.

So long as any Preferred Shares remain outstanding, the affirmative vote of the holders of at least two-thirds of the Preferred Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), will be required to:

authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Preferred Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock into Preferred Shares;

amend, alter or repeal the provisions of our Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Preferred Shares or the holders thereof; or

effect any merger, exchange or similar transaction which would adversely affect the Preferred Shares;

Table of Contents

provided, however, that with respect to the occurrence of any event set forth in the second bullet point above, so long as any Preferred Shares remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Preferred Shares, in each case taking into account that upon the occurrence of this event we may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Preferred Shares or the holders thereof, and provided, further, that any increase in the amount of our authorized common stock or preferred stock or the creation or issuance of any other series of common stock or other equity securities ranking on a parity with or junior to the Preferred Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up and any change to the number of directors or number of classes of directors shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

Under West Virginia law, a majority vote of a quorum of the holders of a majority of the outstanding Preferred Shares, voting as a separate voting group, is required for:

certain amendments to the Articles of Incorporation impacting the Preferred Shares;

the approval of any dividend payable in Preferred Shares to holders of shares of another class or series of our stock; or

the approval of any proposed share exchange that includes the Preferred Shares.

In addition, holders of the Preferred Shares will be able to vote together with the holders of all shares of common stock and other preferred stock entitled to vote, voting as a single group, on the approval of plans of merger, except that a majority vote of a quorum of the holders of a majority of the outstanding Preferred Shares, voting as a separate voting group, on the approval of a plan of merger is required if:

pursuant to the provisions of the plan of merger, the Preferred Shares are to be converted into shares or other securities, interest, obligations, rights to acquire shares or other securities, cash, other property or any combination of the foregoing; or

any provision in the plan of merger would, if contained in a proposed amendment to the articles of incorporation, require a separate vote.

Each holder of Preferred Shares will have one vote per Preferred Share on any matter on which holders of Preferred Shares are entitled to vote, including any action by written consent.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required, all outstanding Preferred Shares shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of Preferred Shares to effect the redemption.

Regulatory Capital Treatment

We expect the Preferred Shares to qualify as Tier I capital under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies.

Table of Contents

Transferability

The Preferred Shares will not be subject to any contractual restrictions on transferability, and we will be obligated to file a registration statement under the Securities Act of 1933, as amended, as promptly as practicable after issuing the Preferred Shares to the Treasury. The Treasury may transfer the Preferred Shares to third parties at any time.

**ADDITIONAL TERMS OF
THE CAPITAL PURCHASE PROGRAM**

The following is a brief description of provisions of the Capital Purchase Program in addition to the terms of the preferred stock that may be issued by United pursuant to the program, as described under Description of the Preferred Stock Capital Purchase Program. This description is based upon information currently available to us concerning the terms of the Capital Purchase Program and does not purport to be complete in all respects.

Warrants

Warrant: The Treasury will receive warrants (the Warrants) to purchase a number of shares of our common stock having an aggregate market price equal to 15% of the aggregate issue price of the Preferred Shares on the date of investment, subject to reduction as set forth below under Reduction . The initial exercise price for the Warrants, and the market price for determining the number of shares of common stock subject to the Warrants, shall be the market price for the common stock on the date of the Treasury s acceptance of United s application to participate in the Capital Purchase Program (calculated on a 20-trading day trailing average), subject to customary anti-dilution adjustments.

Term: 10 years

Exercisability: Immediately exercisable, in whole or in part, except as described below.

Transferability: The Warrants will not be subject to any contractual restrictions on transfer; provided that the Treasury may only transfer or exercise an aggregate of one-half of the Warrants prior to the earlier of (i) the date on which we have received aggregate gross proceeds of not less than 100% of the aggregate issue price of the Preferred Shares from one or more Qualified Equity Offerings and (ii) December 31, 2009. We will file a shelf registration statement covering the Warrants and the common stock underlying the Warrants as promptly as practicable after the date of this investment and, if necessary, shall take all action required to cause such shelf registration statement to be declared effective as soon as possible. We will also grant to the Treasury piggyback registration rights for the Warrants and the common stock underlying the Warrants and will take such other steps as may be reasonably requested to facilitate the transfer of the Warrants and the common stock underlying the Warrants. We will apply for the listing on the national exchange on which our common stock is traded of the common stock underlying the Warrants and will take such other steps as may be reasonably requested to facilitate the transfer of the Warrants or the common stock.

Voting: The Treasury will agree not to exercise voting power with respect to any shares of our common stock issued to the Treasury upon exercise of the Warrants.

Reduction: In the event that the we have received aggregate gross proceeds of not less than 100% of the aggregate issue price of the Preferred Shares from one or more Qualified Equity Offerings on or prior to December 31, 2009, the number of shares of common stock underlying the Warrants then held by the

Table of Contents

Treasury shall be reduced by a number of shares equal to the product of (i) the number of shares originally underlying the Warrants (taking into account all adjustments) and (ii) 0.5.

Substitution: In the event we are no longer listed or traded on a national securities exchange, the Warrants will be exchangeable (in whole or in part), at the option of the Treasury, for an economic interest (to be determined by the Treasury after consultation with us) in us classified as permanent equity under GAAP having fair market value (as determined by the Treasury) equal to the portion of warrants so exchanged.

Limits on Executive Compensation

As a condition to the issuance of the Preferred Shares, we will agree to certain limits on executive compensation for our chief executive officer, chief financial officer and our next three most highly compensated officers.

Specifically, we must

ensure that incentive compensation for any such executive does not encourage unnecessary and excessive risks that threaten our value;

implement a required clawback of any bonus or incentive compensation paid to any such executive based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate;

not make any golden parachute payment (as defined in the Internal Revenue Code) to any such executive; and

agree not to deduct for tax purposes executive compensation in excess of \$500,000 for each such executive.

Limitations on Share Repurchases

Subject to limited exceptions, we will be prohibited from repurchasing shares of our capital stock (other than the Preferred Shares) until the earlier of (i) the third anniversary of the date of issue of the Preferred Shares and (ii) the date on which the Preferred Shares have been redeemed in whole or the Treasury has transferred all Preferred Shares to third parties.

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Table of Contents

PROPOSAL 2: ADJOURNMENT, POSTPONEMENT OR CONTINUATION OF THE SPECIAL MEETING

If at the Special Meeting, the number of shares of United's common stock present or represented and voting in favor of the amendment to the Articles of Incorporation is insufficient to approve Proposal One, United's management may move to adjourn, postpone or continue the Special Meeting in order to enable its Board of Directors to continue to solicit additional proxies in favor of the proposal to amend the Articles of Incorporation. In that event, you will be asked to vote only upon the adjournment, postponement or continuation proposal and not Proposal One.

In this proposal, United is asking you to authorize the holder of any proxy solicited by its Board of Directors to vote in favor of adjourning, postponing or continuing the Special Meeting and any later adjournments. If United's shareholders approve the adjournment, postponement or continuation proposal, United could adjourn, postpone or continue the Special Meeting, and any adjourned session of the Special Meeting, to use the additional time to solicit additional proxies in favor of the proposal to amend the Articles of Incorporation, including the solicitation of proxies from shareholders that have previously voted against the proposal to amend United's Articles of Incorporation. Among other things, approval of the adjournment, postponement or continuation proposal could mean that, even if proxies representing a sufficient number of votes against the proposal to amend the Articles of Incorporation have been received, United could adjourn, postpone or continue the Special Meeting without a vote on the proposal to amend the Articles of Incorporation and seek to convince the holders of those shares to change their votes to votes in favor of the approval of the amendment to the Articles of Incorporation.

The adjournment, postponement or continuation proposal requires that holders of more of United's shares vote in favor of the adjournment, postponement or continuation proposal than vote against the proposal. According, abstentions and broker non-votes will have no effect on the outcome of the proposal. No proxy that is specifically marked AGAINST the proposal to amend the Articles of Incorporation will be voted in favor of the adjournment, postponement or continuation proposal, unless it is specifically marked FOR the discretionary authority to adjourn, postpone or continue the Special Meeting to a later date.

United's Board of Directors believes that if the number of shares of its common stock present or represented at the Special Meeting and voting in favor of the proposal to amend the Articles of Incorporation is insufficient to approve the amendment, it is in the best interests of the shareholders to enable the Board of Directors, for a limited period of time, to continue to seek to obtain a sufficient number of additional votes to approve the amendment.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO ADJOURN, POSTPONE OR CONTINUE THE SPECIAL MEETING.

Table of Contents**COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND
MANAGEMENT****Beneficial Ownership of Directors and Named Executive Officers**

As of October 27, 2008, directors of the Company owned beneficially, directly or indirectly, the number of shares of common stock indicated in the following table.

The following table sets forth certain information regarding the directors' beneficial ownership of common stock of United as of October 27, 2008:

Name of Director	Shares of Common Stock of the Company Beneficially Owned ^(c)		Percent of Class
	Number of Shares ^{(a)(b)}	Number of Options	
Richard M. Adams	600,405	222,000	1.89%
Robert G. Astorg	34,084		*
W. Gaston Caperton, III	25,483		*
Lawrence K. Doll	3,528	23,000	*
Theodore J. Georgelas	44,764		*
F. T. Graff, Jr.	28,600		*
John M. McMahon	250,000		*
J. Paul McNamara	119,856		*
G. Ogden Nutting	654,656		1.51%
William C. Pitt, III	4,450		*
Donald L. Unger	42,159		*
Mary K. Weddle	5,428		*
Gary G. White	34,500		*
P. Clinton Winter, Jr.	497,185		1.15%

* Indicates the director owns less than 1% of United's issued and outstanding shares.

Footnotes:

(a) Includes stock held by United Bank's (WV) Trust Department which shares beneficial ownership as described in this footnote. The following directors each exercise voting

authority over
the number of
shares indicated
as follows:

Mr. R. Adams,
19,151 shares;

Mr. Astorg,
16,902 shares;

and Mr. Graff,
22,500 shares;.

The
non-director
executive
officers as a
group exercise
voting authority
over 7,223

shares. United
Bank s
(WV) Board of
Directors

exercises voting
authority over
1,993,267

shares held by
United Bank s

(WV) Trust
Department. All

of these shares
are included in

the 4,644,561
shares held by

all directors,
nominees and

executive
officers as a

group. Also
includes shares

pledged as
collateral as

follows: Mr. R.
Adams, 28,000
shares;

Mr. Astorg,
21,000 shares;

Mr. Blair,
75,535 shares;

Mr. Georgelas,
43,964 shares;

Mr. McMahon,
180,000 shares;

Mr. White,
31,000 shares;
and Mr. Winter,
89,996 shares.

Table of Contents

(b) Beneficial ownership is stated as of October 27, 2008, including shares of common stock that may be acquired within sixty (60) days of that date through the exercise of stock options pursuant to United's Stock Option Plans.

(c) Unless otherwise indicated, beneficial ownership shares listed represent sole voting power. The following number of shares may be held in the name of spouses, children, certain relatives, trust, estates, and certain affiliated companies as to which shared voting and/or shared investment powers may exist: Mr. R. Adams, 38,493 shares; Mr. Astorg, 17,182 shares; Mr. Caperton, 25,483 shares; Mr. Georgelas, 2,100 shares;

Mr. Graff, 2,100 shares;
 Mr. McNamara, 40,800 shares;
 Mr. Nutting, 654,656 shares;
 and Mr. Winter, 45,916 shares.

The following table sets forth certain information regarding the named executive officers' beneficial ownership of common stock of United as of October 27, 2008:

Name of Officer	Shares of Common Stock of the Company Beneficially Owned ⁽¹⁾	
	Number of Shares	Percent of Class
Richard M. Adams	822,405	1.89%
Steven E. Wilson	216,654	0.50%
James B. Hayhurst, Jr.	151,702	0.35%
James J. Consagra, Jr.	78,037	0.18%
Richard M. Adams, Jr.	82,083	0.19%

Footnotes:

(1) The amounts shown represent the total shares owned directly and indirectly by such named executive officers. The number of shares includes shares that are issuable upon the exercise of all stock options currently exercisable, as follows: Mr. R. Adams, 222,000; Mr. S. Wilson, 108,400; Mr. Hayhurst, 71,000; Mr. Consagra, 62,500 and Mr. R. Adams, Jr., 39,702.

Unless otherwise indicated, beneficial ownership shares listed represent sole voting power. The following number of shares may be held in the name of spouses, children, certain relatives, trust, estates, and certain affiliated companies as to which shared voting and/or shared investment powers may exist: Mr. R. Adams, 38,493; Mr. S. Wilson, 8; Mr. Hayhurst, 22,116, and Mr. R. Adams, Jr., 8,174. Also includes shares pledged as collateral as follows: Mr. R. Adams, 28,000; Mr. S. Wilson, 67,230; and Mr. Hayhurst, 73,532.

All directors, nominees and executive officers as a group beneficially owned 5,242,613 shares or 11.94% of the Company's common stock.

Principal Shareholders of United

The following table lists each shareholder of United who is the beneficial owner of more than 5% of United's common stock, the only class of stock outstanding, as of October 27, 2008. For purposes of this determination, the number of shares of United's common stock beneficially owned by any person or persons is calculated as a percentage of the total number of shares of United's common stock issued and outstanding as of October 27, 2008 plus the number of shares of United's common stock that may be acquired by such person within sixty (60) days of that date through the exercise of stock options pursuant to United's Stock Option Plans.

Table of Contents

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	United Bank (WV) Trust Department 514 Market Street, Parkersburg, WV 26101 (2,059,043 shares or 4.75% are registered under the nominee name of Parbanc Co.)	2,059,043 ⁽¹⁾	4.75% ⁽¹⁾
Common Stock	Barclays Global Investors, NA 45 Fremont Street, San Francisco, CA 94105	2,144,619 ⁽²⁾	4.95% ⁽²⁾

Footnotes:

- (1) United Bank (WV), a wholly-owned subsidiary of United and its Trust Department, holds in fiduciary or agency capacity 2,059,043 shares or 4.75% of United's stock. The investment authority for these shares is held by the Trust Department and is exercised by United Bank's (WV) Board of Directors. Of these total shares, the Trust Department holds sole voting authority for 1,993,267 shares or 4.60% of United's outstanding common stock which is exercised by

United Bank s
(WV) Board of
Directors.

(2) Barclays Global
Investors, NA
(Barclays)
manages
institutional
portfolios and
the Barclays
Global Investors
family of mutual
funds and
iShares, Barclays
proprietary
exchange-traded
funds. Barclays
owns 2,144,619
or 4.95% of
United s stock.
Of these total
shares, Barclays
holds sole voting
authority for
1,578,404 shares
or 3.64% of
United s
outstanding
common stock.
Barclays address
and holdings are
based solely on a
Schedule 13G
filing with the
Securities and
Exchange
Commission
dated
January 22, 2008
made by
Barclays setting
forth information
as of
December 31,
2007.

Related Shareholder Matters

The following table discloses the number of outstanding options granted by United to participants in equity compensation plans, as well as the number of securities remaining available for future issuance under these plans, as of October 27, 2008. The table provides this information for equity compensation plans that have and have not been approved by shareholders.

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted-average exercise price of	Number of securities remaining available for future issuance under equity compensation
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