

COMMUNITY BANCORP /VT
Form 8-A12G/A
August 04, 2016

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

FORM 8-A/A
(Amendment No. 3 to Form 8-A)

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES
PURSUANT TO SECTION 12(b) OR (g) OF THE
SECURITIES EXCHANGE ACT OF 1934

Community Bancorp.
(Exact name of registrant as specified in its charter)

Vermont 03-0284070
(State of incorporation or organization) (I.R.S. Employer Identification No.)

4811 US Route 5, Derby, VT 05829
(Address of principal executive offices) (Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered:	Name of each exchange on which each class is to be registered:
None	Not Applicable

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c), check the following box. c

If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d), check the following box. c

Securities Act registration statement file number to which this form relates: _____ (if applicable)

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, \$2.50 par value*
(Title of class)

*Registered under Section 12(g) on Form 8-A dated December 10, 1987, as previously amended by Amendment No. 1 dated April 29, 1994 and Amendment No. 2 dated July 15, 2009.

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Description of Registrant's Securities to be Registered

This amended Registration Statement on Form 8-A/A relates to the common stock of Community Bancorp. (the "Company," "we," "our," "us"), a Vermont corporation with principal offices in Derby, Vermont, which was initially registered under Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act") in 1987. This Amendment No. 3 on Form 8-A/A supersedes in its entirety Amendment No. 2 filed with the Securities and Exchange Commission on July 15, 2009.

The following briefly summarizes certain provisions of our Amended and Restated Articles of Association ("Articles") and By-laws and of the Vermont Business Corporation Act (the "VBCA") that holders of our common stock may deem important. The description below is qualified in its entirety by reference to the terms and provisions of our Articles and By-laws, which have been filed previously with the Commission as exhibits to our periodic reports filed pursuant to Section 13(a) of the Exchange Act, and which are incorporated by reference into this Form 8-A/A filing, pursuant to Item 2 below.

Authorized Common Stock; General Information

Under our Articles, we are authorized to issue up to 15,000,000 shares of common stock having a par value of \$2.50 per share. As of June 30, 2016, 5,236,891 shares of our common stock were outstanding and 210,101 shares were held in treasury (shares previously issued and later re-acquired by the Company). As of that date, our outstanding shares were held by approximately 872 shareholders of record. Our common stock is not listed on any exchange, but is traded in the over-the-counter market on the OTCQX marketplace maintained by the OTC Markets Group, Inc. under the trading symbol "CMTV." Trading in our stock is not active.

All outstanding shares of our common stock are fully paid and nonassessable. Holders of our common stock do not have any cumulative voting, conversion, redemption or preemptive rights.

Authorized Preferred Stock; Effect of Preferred Stock on Rights of Common Shareholders

In addition to our common stock, our Articles also authorize us to issue up to 1,000,000 shares of preferred stock, without par value. The preferred stock is not registered under the Exchange Act. In some cases the rights of preferred shareholders could affect the rights of common shareholders. The Board of Directors has the authority to divide the preferred shares into one or more series and to fix and determine the relative rights and preferences of any such series, including any voting powers, dividend rights, conversion rights, preemptive rights, liquidation preferences and redemption provisions. Pursuant to that authority, as of the date of this filing on Form 8-A/A, the Company has issued 25 shares of Series A Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock having a liquidation preference of \$100,000 per share (the "Series A Shares"). The text of the Series A Shares Designation is set forth as Exhibit A to the Company's Articles.

In some circumstances the rights of the holders of our Series A Shares may affect the holders of our common stock. For example, we would not be permitted to pay dividends on our common stock at any time there were an arrearage on dividend payments to the holders of the Series A Shares. Similarly, upon any voluntary or involuntary dissolution, liquidation or winding up of the Company, the holders of our Series A Shares would be entitled to receive their liquidation preference (\$100,000 per share, \$2.5 million in the aggregate) out of any assets available for distribution to the shareholders, before any assets may be distributed to the holders of our common stock. In addition, certain corporate actions would require the unanimous affirmative vote of the holders of the Series A Shares voting as a separate class, even if the matter were approved by the Board of Directors or the holders of the common stock. In particular, the unanimous consent of the holders of our Series A Shares is required to approve any of the following: (1) the issuance of additional Series A Shares; (2) the creation of any class or series of preferred shares having parity with, or preference over, the Series A Shares in payment of dividends or liquidation preference; or (3) amendment of

the Company's Articles of Association in any manner that would materially and adversely affect the rights or preferences of the Series A Shares. Except for these matters, the holders of the Series A Shares do not have voting rights.

Because our Board of Directors has the authority to create additional series of preferred shares out of the remaining 975,000 authorized and unissued shares of preferred stock, similar or greater preferences over the common shares could be created in the future, without vote or consent of the common shareholders.

Dividends

After payment of all accrued dividends on any outstanding preferred shares having a dividend preference over the common shares, holders of our common stock are entitled to participate equally in dividends when the Board of Directors declares dividends on shares of common stock out of funds legally available for shareholder distribution, and are entitled to participate equally with other common shareholders in any stock dividends. The availability of funds for the Company to pay dividends depends largely on the availability of funds for the Bank to pay dividends to the Company. In some circumstances, applicable banking laws could limit those available funds. In addition, payment of dividends by the Company might require approval of the Federal Reserve in some circumstances, such as if regulatory capital levels are deemed insufficient or if dividends exceed net income for the previous four quarters, net of dividend paid during such quarters.

As described above, the Series A Shares have a dividend preference over the common shares. (See “Authorized Preferred Stock; Effect of Preferred Stock on Rights of Common Shareholders”)

Voting Rights

Holders of our common stock are entitled to one vote for each share held of record on all matters voted on by the common shareholders, including the election of directors. A quorum for the conduct of business is a majority of the shares of common stock entitled to vote on the matter, represented in person or by proxy at the meeting.

Generally, a matter submitted to vote of our common shareholders is approved if more votes are cast in favor of the matter than against it, at a meeting at which a quorum is present. In some cases, such as mergers and certain amendments to the Company’s Articles, the VBCA or our Articles or Bylaws may impose a higher vote requirement.

Under the VBCA, election of directors is by a plurality of the votes cast, unless the articles of incorporation provide for a higher vote. Our Articles and By-laws do so, as they require that director nominees receive at least a majority of the votes cast at a meeting of shareholders at which a quorum is present.

As described above, in some circumstances the unanimous affirmative vote of the holders of the Series A Shares would be required to approve certain matters, even if approved by the Board of Directors or the common shareholders. (See “Authorized Preferred Stock; Effect of Preferred Stock on Rights of Common Shareholders” above.)

Limitation of Director Liability

As permitted by the VBCA, Article Ten of the Company's Articles provides that a director will not have any personal liability to the Company or its shareholders for money damages for any act or omission based on a failure to discharge his or her statutory duties as a director, except for liability relating to (i) any improper financial gain to which the director was not entitled; (ii) an intentional reckless infliction of harm on the Company or its shareholders; (iii) authorization of unlawful distributions; or (iv) an intentional or reckless criminal act. Any future amendment or repeal of the liability limiting provision would apply prospectively only and not to any act or omission occurring before the effective date of such amendment or repeal.

Liquidation Rights

In the event of the Company’s liquidation, dissolution or winding-up, holders of our common stock would have the right to a ratable portion of assets remaining after satisfaction in full of the prior claims of any preferred shareholders (including the holders of the Series A Shares) and creditors.

As described above, the Series A Shares have a liquidation preference over the common shares. (See “Authorized Preferred Stock; Effect of Preferred Stock.”)

Advance Notice By-Law

Section 2.13 of our By-laws requires that shareholders provide advance notice to the Company if they intend to submit director nominations or other matters for vote at a meeting of shareholders. Specified information about the nominee or proposal must generally be furnished to the Company no earlier than 180 days nor later than 120 days prior to the date of the annual meeting. Special rules apply for the deadline if the annual meeting is to be held on a date other than the third Tuesday in May, and for special meetings of shareholders. These notice requirements apply whether or not a shareholder seeks to include his or her proposal in the Company's proxy materials for the meeting under applicable rules of the Securities and Exchange Commission.

Certain Provisions That May Have an Anti-Takeover Effect

As discussed below, our Articles and By-laws contain certain provisions that may deter attempts to takeover the Company.

Board of Directors Classification; High Vote for Removal. We have a staggered, or classified, Board of Directors. Our Board of Directors is divided into three classes with the members of each class serving a three-year term. The members of only one class of directors are elected each year by the common shareholders at our annual meeting of shareholders. It would therefore take at least two years to elect (or replace) a majority of our directors. In addition, our Articles and Bylaws provide that directors may be removed from office only for cause and by the affirmative vote of the holders of at least 75% of the outstanding shares of capital stock entitled to vote in an election of directors (that is, the common stock).

High Vote for Certain Amendments to our Articles and By-laws. In order to amend our Articles, Vermont law requires that our Board of Directors adopt a resolution setting forth the amendment, declare the advisability of the amendment and call a shareholders' meeting to adopt the amendment. Generally, under the VBCA, approval of amendments to our Articles requires that the affirmative votes of the common shareholders outnumber the negative votes, or in some cases requires the affirmative vote of a majority of our outstanding common stock. Approval of amendments to our By-laws may be by vote of the directors or the common shareholders. As described in the next paragraph, however, certain amendments to our Articles and By-laws may require a supermajority shareholder vote.

The vote of the holders of at least 75% of outstanding shares of our capital stock entitled to vote in an election of directors (that is, the holders of at least 75% of the common stock) is required to adopt any amendment to our Articles and By-laws that relates to the size and classification of our Board of Directors, the vote required to elect our directors and the term of service and procedure for removal of our directors.

Consideration of "Other Constituencies." Under the VBCA, a director must generally discharge his or her duties

in good faith;

with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

in a manner he or she reasonably believes to be in the corporation's best interests.

In determining what is in a corporation's best interests, the VBCA permits directors of corporations, such as Community Bancorp., that have a class of voting stock registered under the Exchange Act, to consider other interests beyond those of the corporation's shareholders. In particular, directors may consider the interests of the corporation's employees, suppliers, creditors and customers; the economy of the state, region and nation; community and societal considerations, including those of any community in which any offices or facilities of the corporation are located; and any other factors the director in his or her discretion reasonably considers appropriate in determining what he or she

reasonably believes to be in the best interests of the corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the corporation.

Potential Anti-takeover Effect of These Provisions. The provisions described above may discourage attempts by others to acquire control of the Company without negotiation with our Board of Directors. This enhances our Board's ability to attempt to promote the interests of all of our shareholders. However, to the extent that these provisions make us a less attractive takeover candidate, they may not always be in our best interests or in the best interests of our shareholders.

None of these provisions was adopted in response to any specific effort by a third party to accumulate our stock or to obtain control of us by means of merger, tender offer, solicitation in opposition to management or otherwise.

Repurchase of Shares

Under the VBCA, we may repurchase shares of our capital stock, except if it would constitute an unlawful distribution to the selling shareholder. In general, distributions are permissible under the VBCA unless, after the distribution, we would be unable to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus the amount required to satisfy any preferential rights of shareholders upon dissolution or liquidation (such as the liquidation rights of the holders of the Series A Shares).

Because we are a registered bank holding company, repurchases of our shares in excess of certain volume limitations would be subject to prior approval by the Federal Reserve under the federal Bank Holding Company Act and to certain restrictions and limitations in some circumstances, such as if our regulatory capital levels were deemed insufficient.

Transfer Agent and Registrar

The transfer agent for our common stock is Computershare Investor Services LLC. They may be contacted at:

Computershare Investor Services LLC
PO Box 30170
College Station, TX 77842-3170
www.computershare.com

Our Board of Directors has the right to name a new transfer agent at any time.

Item 2. Exhibits

The following exhibits, previously filed with the Securities and Exchange Commission, are incorporated by reference into this amended registration statement:

Exhibit 3.1* - Amended and Restated Articles of Association, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on August 12, 2014.

Exhibit 3.2* - Amended and Restated By-laws of Community Bancorp. as amended through March 12, 2013, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 14, 2013.

*Replaces previously filed exhibit

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

COMMUNITY BANCORP.

DATED: August 4, 2016 /s/ Stephen P. Marsh

Stephen P. Marsh, Chief Executive

Officer & Board Chair

EXHIBIT INDEX

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