

FIDELITY D & D BANCORP INC  
Form S-3D  
August 06, 2008  
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As filed with the Securities and Exchange Commission on August 6, 2008

Registration No. 333-

# SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

## FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

### FIDELITY D & D BANCORP, INC.

(Exact name of Registrant as specified in its charter)

**PENNSYLVANIA**  
(State or other jurisdiction of  
incorporation or organization)

**23-3017653**  
(I.R.S. Employer  
Identification No.)

**FIDELITY D & D BANCORP, INC.**

**BLAKELY AND DRINKER STREETS**

**DUNMORE, PA 18512**

**(570) 342-8281**

(Address, including zip code, and telephone number,

including area code, of Registrant's principal executive offices)

**STEVEN C. ACKMANN**

**PRESIDENT AND CHIEF EXECUTIVE OFFICER**

**FIDELITY D & D BANCORP, INC.**

**BLAKELY AND DRINKER STREETS**

**DUNMORE, PA 18512**

**(570) 342-8281**

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

**With Copies To:**

**JANE G. DAVIS, ESQUIRE**

**DAVID J. LEDERMANN, ESQUIRE**

**SHUMAKER WILLIAMS, P.C.**

**POST OFFICE BOX 88**

**HARRISBURG, PENNSYLVANIA 17108**

**(717) 763-1121**

**Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement.**

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

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered(1)</b>	<b>Proposed Maximum Offering Price Per Share(2)</b>	<b>Proposed Maximum Aggregate Offering Price(2)</b>	<b>Amount of Registration Fee</b>
Common Stock, without par value	200,000	\$ 31.00	\$ 6,200,000	\$ 243.66

(1) Pursuant to Rule 416(a) under the Securities Act of 1933, this Registration Statement shall also cover an indeterminate number of additional shares of common stock that may become issuable as a result of stock splits, stock dividends or similar transactions in accordance with the terms of the Registrant's Amended and Restated 2000 Dividend Reinvestment Plan.

(2) Estimated solely for the purpose of determining the registration fee, in accordance with Rule 457(c) under the Securities Act of 1933, based on the average of the high and low prices on the Over-the-Counter Bulletin Board on July 31, 2008.

Pursuant to Rule 429 of the Securities Act of 1933, the Prospectus filed with this Registration Statement shall act as a combined Prospectus with Registration Statement No. 333-45668.

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**EXPLANATORY NOTE**

This Registration Statement is being filed to add an additional 200,000 shares for issuance under the Registrant's Amended and Restated 2002 Dividend Reinvestment Plan (the Plan). The Prospectus contained in this Registration Statement shall also be applicable to the 100,000 shares registered for issuance under the Plan on Registration Statement No. 333-45668.

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**PROSPECTUS**

**FIDELITY D & D BANCORP, INC.**

**AMENDED AND RESTATED 2000 DIVIDEND REINVESTMENT PLAN**

**300,000 SHARES OF COMMON STOCK**

**TRADING SYMBOL: FDBC**

This prospectus relates to 300,000 shares of common stock of Fidelity D & D Bancorp, Inc., a Pennsylvania corporation, that the company may issue or sell, from time to time, under the Fidelity D & D Bancorp, Inc. Amended and Restated 2000 Dividend Reinvestment Plan (the Plan). Under the terms of the Plan, Fidelity D & D Bancorp is authorized to issue up to 300,000 shares of its common stock. The Plan offers holders of shares of common stock of Fidelity D & D Bancorp, Inc. an opportunity to automatically reinvest their cash dividends and Plan participants an opportunity to invest additional cash amounts in shares of the company's common stock.

The Plan administrator will purchase shares acquired for the Plan directly from Fidelity D & D Bancorp, Inc. at fair market value, in the open market, or in negotiated transactions, as described in the Plan. As of July 31, 2008, the market price of the common stock was \$31.00 per share. The common stock is traded on the OTCBB under the symbol FDBC.

See Risk Factors beginning on page 1 for a discussion of various factors that shareholders should consider about an investment in our common stock.

**Neither the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Pennsylvania Department of Banking, the Pennsylvania Securities Commission nor any other state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**The shares of common stock offered in this Prospectus are not savings accounts, deposits, or other obligations of a bank or savings association and are not insured by the FDIC or any other governmental agency. Neither Fidelity D & D Bancorp, Inc. nor its wholly owned subsidiary, The Fidelity Deposit and Discount Bank, has guaranteed the shares being offered. There can be no assurance that the trading price of the common stock being offered will not decrease at any time.**

The date of this Prospectus is August 6, 2008.

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**PROSPECTUS SUMMARY**

**The Corporation**

Fidelity D & D Bancorp, Inc. (the Corporation), a Pennsylvania business corporation, is a bank holding company registered with and supervised by the Board of Governors of the Federal Reserve System. The Corporation was formed in 1999 for the purpose of becoming the parent holding company of The Fidelity Deposit and Discount Bank (the Bank). The Bank, a state-chartered institution, is a full service commercial bank and provides a wide range of services to individuals and small to medium-sized businesses in its market area.

The principal executive offices of the Corporation are located at Blakely and Drinker Streets, Dunmore, Pennsylvania 18512. The telephone number of the Corporation is (570) 342-8281.

**The Offering; The Plan; Use of Proceeds**

The securities offered hereby are 300,000 shares of the Corporation's common stock, no par value per share, subject to adjustment for stock splits, stock dividends and other changes in the Corporation's capital structure. The purpose of the offering is to provide holders of the Corporation's common stock with a simple and convenient method of investing cash dividends declared on the common stock in additional shares of common stock, and to provide participating shareholders a method to invest additional cash amounts in shares of common stock, without incurring brokerage commissions, through the Corporation's Dividend Reinvestment Plan (the Plan).

Shares may be acquired for issuance pursuant to the Plan through open market purchases, through negotiated transactions or from the Corporation. Open market purchases will be made by an independent purchasing agent retained to act as agent for Plan participants, and the purchase price to participants will be the actual price paid, excluding brokerage commissions and other expenses, which commissions and expenses will be paid by the Corporation. The Corporation will receive none of the proceeds from shares acquired for issuance pursuant to the Plan unless the acquisitions involve the purchase of shares from the Corporation. To the extent any shares are purchased from the Corporation, the proceeds of such sales will be added to the Corporation's general funds and will be available for its general corporate purposes, including working capital requirements and contributions to the Bank to support its anticipated growth and expansion.

**RISK FACTORS**

The purpose of the Plan is to provide a convenient and useful service for the Corporation's current shareholders. Nothing in this Prospectus represents a recommendation by the Corporation or anyone else that a person buy or sell the Corporation's common stock. We urge you to read this Prospectus thoroughly before you make your investment decision regarding participation in the Plan.





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Before you invest in the Corporation's common stock, you should be aware that an investment in our common stock involves a variety of risks, including those described below. You should carefully read and consider these risks factors, together with all the other information contained in this Prospectus, before you decide to purchase the Corporation's common stock.

*Our issuance of additional shares of common stock could dilute or depress the value of your shares.*

The Corporation's Articles of Incorporation authorize the issuance of up to 10,000,000 shares of common stock and up to 5,000,000 shares of preferred stock. The issuance of additional stock within these limits will not require shareholder approval. Sales of additional shares of stock, or the perception that shares may be sold, could negatively affect the market price of the corporation's stock. The issuance of additional shares could also dilute the percentage ownership interest and corresponding voting power of the prior shareholders.

*Regulatory restrictions may affect our ability to pay dividends.*

Our ability to pay dividends to our shareholders is also subject to and limited by certain legal and regulatory restrictions.

*The trading market for our common stock is not active.*

There is a limited public market for the Corporation's common stock. We cannot assure you that a more liquid or active trading market will develop. In a less active market, you may not be able to readily sell your shares as spontaneously as you may desire.

*Anti-takeover provisions in our articles of incorporation and bylaws and certain provisions of Pennsylvania law may discourage or prevent a takeover of our company and may result in a lower market value for our common stock.*

Our Articles of Incorporation and bylaws contain certain provisions that enhance the ability of our Board of Directors to deal with attempts to acquire control of our company. In addition, Pennsylvania law contains certain anti-takeover provisions that apply to us. While these provisions may provide us with flexibility in managing our business, they could discourage or make a merger, tender offer or proxy contest more difficult, even though certain shareholders may wish to participate in the transaction. These provisions could also potentially adversely affect the market value of the common stock.

*Our future success is dependent on our ability to compete effectively in the highly competitive banking industry.*

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We face substantial competition in all phases of our operations from a variety of different competitors. Our future growth and success will depend on our ability to compete effectively in this highly competitive environment. We compete for loans, deposits and other financial services in our geographic market with other commercial banks, savings and loan associations, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking firms and various other non-bank competitors.

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*Changes in the law and regulations may affect our ability to do business, our costs, and our profits.*

We are subject to extensive state and federal supervision and regulation. These laws and regulations are intended to protect depositors, not shareholders. Any change in applicable laws or regulations may have a material effect on our business and prospects. We cannot predict the nature or the extent of the effect on our business or earnings that monetary policies, economic controls, or new federal or state regulations may have in the future.

*Changes in interest rates could make us less profitable.*

Our profitability is dependant to a large extent on our net interest income. Net interest income is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Like most financial institutions, we are affected by changes in general interest rate levels, which are currently at relatively low levels, and by other economic factors beyond our control. In addition, interest rate risk can result from mismatches between the dollar amount of repricing or maturing assets and liabilities that is measured in terms of the ratio of the interest rate sensitivity gap to total assets. Although our management believes it has implemented strategies to reduce the potential effects of changes in interest rates on our results of operations, any substantial change in market interest rates could adversely affect our operating results.

*Our allowance for loan losses may prove to be insufficient to absorb potential losses in our loan portfolio.*

Lending money is a substantial part of our business. However, every loan we originate carries a risk of non-payment. We cannot assure you that our allowance for loan losses will be sufficient to absorb actual loan losses. We also cannot assure you that we will not experience significant losses in our loan portfolios that may require significant increases to the allowance for loan losses in the future. We may experience losses by reason of factors beyond our control. Some of these factors include changes in market conditions affecting the value of real estate and unexpected problems affecting the creditworthiness of our borrowers.

We determine the adequacy of our allowance for loan losses by considering various factors, including:

- Specific loans that could have loss potential;
- Levels of and trends in delinquencies and non-accrual loans;
- Levels of and trends in charge-off loans and recoveries;
- Trends in volume and terms of loans;
- Changes in risk selection and underwriting standards;
- Changes in lending policies, procedures and practices;

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- Experience, ability and depth of lending personnel;
- National and local economic trends and conditions; and
- Changes in credit concentrations.

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*Changes in real estate values may adversely impact our loans that are secured by real estate.*

A significant portion of our loan portfolio consists of residential and commercial mortgages secured by real estate. These properties are concentrated in northeastern Pennsylvania. Real estate values and real estate markets generally are affected by, among other things, changes in national, regional or local economic conditions, fluctuations in interest rates and the availability of loans to potential purchasers, changes in the tax laws and other governmental statutes, regulations and policies, and acts of nature. If real estate prices decline, particularly in northeastern Pennsylvania, the value of the real estate collateral securing the corporation's loans could be reduced. A reduction in the value of the collateral could increase the number of non-performing loans and could have a material negative impact on our financial performance.

*Common stock*

You do not have control or authority to direct the price or time at which common stock is purchased or sold for Plan accounts. Therefore, you bear the market risk associated with fluctuations in the price of common stock.

The Plan does not represent a change in our dividend policy. The payment of dividends will continue to be dependant upon earnings, financial and regulatory requirements and other factors, which will be determined by our Board of Directors. Shareholders who do not wish to participate in this Plan will continue to receive cash dividends if and when dividends are declared and paid. We cannot provide any assurance whether, or at what rate, we will continue to pay dividends.

**WHERE YOU CAN FIND MORE INFORMATION**

The Corporation is subject to the information requirements of the Securities Exchange Act of 1934, and therefore files periodic reports, proxy statements and other information with the Securities and Exchange Commission (SEC). The reports the Corporation periodically files with the SEC include an annual financial report and interim quarterly financial reports. These reports, proxy statements and other information can be inspected and copied, at prescribed rates, at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The company is an electronic filer with the SEC. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the SEC's web site is: <http://www.sec.gov>. You can also find information about us by visiting our web site at [www.the-fidelity.com](http://www.the-fidelity.com).

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The following documents filed by the Corporation with the SEC are hereby incorporated by reference in this prospectus:

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(a) The Corporation's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on March 13, 2008;

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- (b) The Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, filed with the SEC on May 9, 2008;
- (c) The Corporation's Current Reports on Form 8-K filed with the SEC since December 31, 2007;
- (d) The Corporation's Definitive Proxy Statement on Schedule 14A filed with the SEC on April 1, 2008;
- (e) The description of the Corporation's common stock that appears in the Corporation's prospectus under "Description of Securities" at pages 89-98, which forms a part of the Corporation's Registration Statement No. 333-45668 on Form S-1, filed with the SEC on September 12, 2000, and as amended on October 11, 2000.

All documents filed by the Corporation under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus, and prior to the filing of a post-effective amendment which indicates that all common stock offered under the Dividend Reinvestment Plan has been sold or which deregisters any common stock remaining unsold, are also incorporated by reference into this prospectus and deemed a part of this prospectus from the date of filing.

The information incorporated by reference is an important part of this prospectus. To the extent that inconsistencies exist between information presented in this prospectus and information contained in incorporated documents filed with the SEC before the date of this prospectus, the information in this prospectus automatically updates and supersedes the earlier information. Additionally, information that we file with the SEC after the date of this prospectus will automatically update and supersede the information in this prospectus and any earlier filed or incorporated information.

Documents incorporated by reference are available without charge to each shareholder, including any beneficial owner, to whom this prospectus is delivered, upon the person's written or oral request. In addition, you may obtain all documentation relating to the Plan that is required to be delivered to participants pursuant to the rules adopted under the Securities Act of 1933 from the Corporation. Written requests for copies should be addressed to:

Fidelity D & D Bancorp, Inc.

Attention: Chief Financial Officer

Blakely and Drinker Streets

Dunmore, Pennsylvania 18512

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Telephone requests may be directed to the Corporation at (570) 342-8281. These documents are also available on the Corporation's shareholder services website at [www.the-fidelity.com](http://www.the-fidelity.com) or at the SEC's website [www.sec.gov](http://www.sec.gov). You may also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information about the operation of the Public Reference Room is available by calling the SEC at 1-800-0330.



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**AMENDED AND RESTATED**

**2000 DIVIDEND REINVESTMENT PLAN**

This Fidelity D & D Bancorp, Inc. Amended and Restated 2000 Dividend Reinvestment Plan ( Plan ) is authorized to issue not more than 300,000 shares of Fidelity D & D Bancorp, Inc. ( Corporation ) common stock, subject to adjustment for stock splits, stock dividends and other changes in the Corporation s capital structure. We present the Plan in a question and answer format. Shareholders who do not choose to participate in the Plan or who are not eligible to participate in the Plan will continue to receive cash dividend payments, if and when dividends are declared and paid.

**Purpose**

1. What is the purpose of the Plan?

The Plan provides shareholders with a convenient and economical method of investing cash dividends and, at the election of a Plan participant, voluntary cash contributions, to purchase additional shares of the Corporation s common stock ( Common Stock ). Participants pay no brokerage commissions or service charges when they acquire additional shares of Common Stock through the Plan.

**Advantages**

2. What are the advantages of the Plan?

Shareholders may:

- Reinvest cash dividends, and may invest cash within specified limits, in additional shares of Common Stock, without paying service charges or brokerage commissions;
- Invest the full amount of all dividends in shares of Common Stock including fractional shares, which also earn dividends under the Plan;
- Avoid safekeeping and record keeping costs through the free custodial and reporting services under the Plan; and

- Regularly receive a detailed statement of account transactions in book entry form.

**Administration**

3. Who administers the Plan for participants?

Registrar and Transfer Company will serve as Plan Administrator and will act as the agent for the participants. As agent for participants, the Plan Administrator will:

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- Hold shares in the name of its nominee as agent for Plan participants;
- Keep and maintain records;
- Provide detailed statements of account to participants; and
- Perform other duties related to the Plan.

Any notices, questions, or other communications relating to the Plan should include the participant's account number and tax identification number and should be addressed to:

Registrar and Transfer Company  
Attention: Dividend Reinvestment Department  
P.O. Box 664  
Cranford, New Jersey 07016  
(800) 368-5948  
[www.rtc.com](http://www.rtc.com)

The Corporation has the right to terminate and appoint in its place another plan administrator to serve as Plan agent at any time.

**Participation**

4. Who is eligible to participate?

Generally, all Common Stock shareholders are eligible to participate in the Plan. Shareholders may participate in the Plan with respect to all of their shares, or with respect to a portion of their shares if the shareholder holds of record more than 50 shares of Common Stock. Record holders of Common Stock are eligible to participate in the Plan directly. Beneficial owners of the Common Stock, whose shares are registered in names

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other than their own (e.g., in the name of a broker, bank nominee or trustee), must become shareholders of record by having all or a portion of their shares transferred into their own names. Notwithstanding the foregoing, the Corporation may refuse to offer participation in the Plan, or participation in the voluntary cash contribution feature of the Plan, to shareholders who reside in a jurisdiction in which it is unlawful under state or local securities or blue sky laws for the Corporation to permit their participation in the Plan or to shareholders who are residents of a state that may require registration, qualification or exemption of the Common Stock to be issued under the Plan, or registration or qualification of the Corporation or any of its officers or employees as a broker, dealer, salesman or agent, where the Corporation determines, in its discretion, that the number of shareholders or number of shares held does not justify the expense of registration, fees, etc. in such state.

### 5. How does an eligible shareholder become a participant?

An eligible shareholder may join the Plan at any time by completing and signing the accompanying authorization form and returning it to the Plan Administrator. Additional authorization forms may be obtained from the Plan Administrator.

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6. What does the authorization form provide?

The authorization form appoints the Plan Administrator as the agent to reinvest dividends on the shares registered under the Plan and to invest any voluntary cash contributions under the Plan in shares of Common Stock.

7. When may a shareholder join the Plan?

A shareholder may join the Plan at any time. If the Plan Administrator receives a properly completed authorization form at least five (5) business days before a dividend record date, the Plan Administrator will reinvest the dividends payable on that date. Historically, the Corporation has declared and paid dividends on a quarterly basis. The Corporation reserves the right to change the dividend record and payment dates.

8. Is partial participation possible under the Plan?

Yes, but a partial participant must enroll at least 50 shares in the Plan. As a result, a participant with 50 or fewer shares held of record in his or her name must enroll all of his or her shares in the Plan.

9. Is the right to participate in the Plan transferable?

No. The right to participate in the Plan is not transferable. A shareholder participating in the Plan continues as a participant until the Plan is terminated or until the shareholder gives notice of withdrawal or termination to the Plan Administrator.

**Purchases**

10. What is the source for shares of Common Stock purchased under the Plan?

The Plan Administrator purchases shares, at the Corporation's discretion, directly from the Corporation, in the open market, in negotiated transactions, or using a combination of these methods.

11. May participants contribute cash for purchase of additional shares of Common Stock in addition to the reinvestment of dividends?

Yes. A participant in the Plan may contribute additional cash amounts of \$100 or more for investment in additional shares of Common Stock; provided, however, that such voluntary cash contributions may not exceed \$2,000 during any calendar quarter. Voluntary cash contributions of less than \$100 and voluntary cash contributions to the extent they exceed \$2,000 during any calendar quarter will be returned. Voluntary cash contributions will be accepted for investment, and will be invested, only in connection with a dividend payment date. Voluntary cash contributions may vary in amount from one dividend payment date to another. Because participants will not be credited with interest on their voluntary cash contributions prior to investment and because the Plan Administrator is prohibited from holding such contributions for

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extended periods of time prior to investing them, participants are strongly encouraged to submit their voluntary cash contributions as near as possible prior to the applicable dividend payment date. For investment of a voluntary cash contribution to occur on a particular investment date, the contribution must be received by the Plan Administrator no earlier than thirty (30) days prior to the corresponding dividend payment date and not later than five (5) days prior to such date. Voluntary cash contributions received too early or too late will be returned. No interest will be paid on voluntary cash contribution amounts held by the Plan Administrator.

12. How many shares of Common Stock will the Plan Administrator purchase for a participant under the Plan?

The number of shares depends on:

- The amount of dividends to be reinvested;
- The amount of additional cash contributed and available under No. 11, above, for investment; and
- The applicable purchase price of the Common Stock.

The Plan Administrator will credit each participant's account with that number of shares, including any fractional shares computed to four decimal places, equal to the total amount to be invested divided by the applicable purchase price. All dividends on shares held in a participant's account are automatically reinvested in additional shares of Common Stock. All shares purchased pursuant to the Plan are enrolled in the Plan when acquired, and dividends on such shares are reinvested pursuant to the Plan.

13. When will shares of Common Stock be purchased for a participant under the Plan?

The Plan Administrator will use cash dividends to purchase Common Stock as soon as reasonably possible after the applicable dividend payment date, but not more than thirty (30) business days after such date. Any voluntary cash contributions will be added to, and applied in the same manner as, the amount of cash dividends available for reinvestment for the period. The Plan Administrator will allocate full and fractional shares to each participant's account after the Plan Administrator has purchased shares of Common Stock sufficient to cover the purchases for all participants under the Plan for the applicable dividend date. Purchases of Common Stock may occur over one or more trading days.

14. How are voluntary cash contributions made?

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A voluntary cash contribution may be made by enclosing a personal check with the executed authorization form (for new participants) or by forwarding a personal check to the Plan Administrator with a contribution form that will accompany each statement of account. Personal checks should be made payable to Registrar and Transfer Company and should include the participant's account number and taxpayer identification number. Additional cash contribution forms may be obtained from the Plan Administrator.



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15. At what price will shares of Common Stock be purchased under the Plan?

When the Plan Administrator purchases shares of Common Stock from the Corporation, the purchase price will be the fair market value of the Common Stock on the relevant date. The fair market value of the Common Stock will be the average of the low bid and high asked quotations for the shares purchased by the Plan Administrator on the purchase date. If no bid and asked prices are quoted on that date, the fair market value will be the average of the low bid and high asked quotations on the most recent prior date on which quotations are available.

When the Plan Administrator purchases shares of Common Stock in the open market or in negotiated transactions, the purchase price will be the weighted average of the prices actually paid for shares purchased for the relevant date, excluding all fees, brokerage commissions and expenses. The Corporation will bear the cost of all brokerage fees and commissions on purchases under the Plan.

**Reports to participants**

16. What kind of reports will be sent to participants in the Plan?

Each participant in the Plan will receive a statement of account subsequent to each calendar quarter describing cash dividends and participant cash contributions received, the number of shares purchased, the price per share and the total shares accumulated under the Plan. These statements will provide a record of the dates and costs of purchases on a quarterly basis. Participants should retain the statements for income tax purposes. Participants will also receive the Corporation's annual and quarterly reports to shareholders, notices of shareholder meetings, and Internal Revenue Service information for reporting dividends received and commission expenses paid on their behalf. Participants will also receive any supplements or updates to the Corporation's prospectus for shares issued under the Plan, as filed with the SEC.

**Share Certificates; Safekeeping**

17. Will the Plan Administrator issue certificates for shares of Common Stock purchased?

Unless requested in writing by a participant, the Plan Administrator will not issue certificates for shares of Common Stock purchased under the Plan. The number of shares credited to a participant's account under the Plan will be shown on the participant's periodic statements of account. This safekeeping feature protects against loss, theft or destruction of stock certificates. The Plan Administrator will issue certificates for whole shares withdrawn from the Plan. All certificates delivered for safekeeping must be enrolled in the Plan. The Plan Administrator will cancel certificates delivered for safekeeping, which shares will be registered in book entry form. Upon a withdrawal of shares, the Plan Administrator will issue new certificates in the name of the participant. The Corporation will not issue certificates for fractional shares under any circumstances.



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18. In whose name will certificates be registered when issued to participants?

Unless the participant directs otherwise, upon withdrawal from the Plan, the Plan Administrator will issue shares in the name in which the participant maintains the dividend reinvestment account. If a participant requests that a certificate be issued in a different name, the request must bear the participant's own signature. If the account is registered in multiple names, all signatures must appear on the request. In both cases, a financial institution or broker or dealer must guarantee the signature(s). Upon a participant's death, the Plan Administrator will follow the instructions of the decedent's personal representative upon submission of appropriate proof of authority.

**Withdrawal of Shares in Plan Accounts**

19. How may participants withdraw shares purchased under the Plan?

Participants may withdraw all or any portion of the shares credited to their account by completing the withdrawal notification information set forth on the reverse side of their account statement and specifying the number of shares to be withdrawn. The participant should mail the request for withdrawal to the Plan Administrator at the address provided on the account statement. The Plan Administrator may deduct a \$3.00 service charge from a participant's account at the time of his or her withdrawal of shares from the Plan.

The Plan Administrator will register certificates for whole shares so withdrawn in the name of the participant. Fractional shares that are withdrawn will be paid in cash based on the market value of the shares on the day the Plan Administrator processes the written notice of withdrawal or the day of termination of the Plan by the Corporation. If no bid and asked prices are quoted on that date, the closing value from the most recent prior date on which quotations are available will be used.

If the Plan Administrator receives any request for withdrawal of all shares credited to a participant's account less than five (5) business days before the record date, the Plan Administrator will not effect the withdrawal until after the dividends are reinvested and the shares are credited to the participant's account. The Plan Administrator will effect any other request for withdrawal of a portion of the shares credited to a participant's account upon receipt of the request by the Plan Administrator. The Plan Administrator will continue to reinvest dividends on shares remaining in the participant's account, unless the participant withdraws all of the whole and fractional shares from the account, which will terminate participation in the Plan.

20. May participants elect to sell withdrawn shares?

Yes. Participants may request in writing that the Plan Administrator sell withdrawn shares. If the Plan Administrator receives a request to sell all shares credited to a participant's account after, or during the five business days prior to, the record date for a dividend, the Plan Administrator will not effect the request until it reinvests the participant's dividends for the applicable record date and credits the shares to the participant's account. The Plan Administrator will immediately thereafter declare a request to sell a portion of the shares credited to a participant's account effective. Participants should specify the number of shares to be sold in their request for withdrawal.



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The Plan Administrator will arrange for the sale of the shares within 10 business days after receipt of the notice, and deliver a check for the net proceeds of the sale to the participant. The proceeds of the sale will be applied first to pay fees, brokerage commissions, applicable withholding taxes and transfer taxes, if any, incurred in connection with the sale. The Plan Administrator charges a fee of \$10.00 for the sale of shares held under the Plan. All persons in whose names the account appears must sign a request for shares to be sold. The signatures must be guaranteed as specified in No. 18, above.

Because the Plan Administrator will sell the shares on behalf of the Plan, neither the Corporation nor any participant in the Plan has the authority or power to control the timing or pricing of shares sold or the selection of the broker making the sales. Therefore, participants will not be able to precisely time their sales through the Plan and will bear the market risk associated with fluctuations in the price of the Corporation's Common Stock. That is, if a participant sends in a request to sell shares, it is possible that the market price of the Corporation's Common Stock could go down or up before the broker sells his or her shares. In addition, a participant will not earn interest on a sales transaction.

**Termination of Participation in Dividend Reinvestment Plan**

21. How does a participant withdraw from the Plan?

Participation in the Plan is entirely voluntary. Participants may terminate their participation at any time by sending written notice to the Plan Administrator. When a participant withdraws from the Plan or upon termination of the Plan by the Corporation, the Plan Administrator will deliver a certificate for the number of whole shares credited to the participant's account, and a check representing the value of any fractional shares, based on the then current market value per share as described under No. 19, above, to the participant. The Plan Administrator may deduct a \$3.00 service charge from a participant's account at the time of his or her withdrawal from the Plan. Thereafter, all dividends will be paid in cash, or in stock dividends, if so declared by the Corporation, to the shareholder who withdraws from the Plan.

Any notice of withdrawal of all of a participant's Plan shares received less than five (5) business days prior to the record date for a dividend will not be effective until the Plan Administrator has reinvested dividends and the shares have been credited to the participant's account. A shareholder may elect to re-enroll in the Plan at any time.

**Federal Tax Information**

22. What are the federal income tax consequences of participation in the Plan?

We summarize the general current federal income tax consequences of participation in the Plan in this response. Please consult your own tax advisor as to the specific tax consequences of particular account transactions, including any state and local tax consequences.

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Dividends. For federal income tax purposes, a participant in the Plan will be treated as having received, on the dividend payment date, the full amount of dividends allocable to such participant, regardless of whether such dividends are actually paid in cash, withheld for the

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payment of taxes or invested in additional shares of Common Stock pursuant to the Plan. A participant in the Plan is treated as having received, with respect to the cash dividend, a distribution to which Section 301 of the Internal Revenue Code applies. The amount of the distribution that the participant includes in income, as a dividend, is the amount that is paid out of the Corporation's current and/or accumulated earnings and profits. Most regular quarterly cash dividends paid from earnings will be treated as a distribution subject to ordinary income taxation. The distribution, to the extent it exceeds the Corporation's earnings and profits, is a return of capital and reduces the adjusted basis of the stock. The portion of the distribution that exceeds the Corporation's earnings and profits and the adjusted basis of the stock is treated as gain from the sale or exchange of property.

Brokerage Commissions. A participant who receives a distribution, as discussed above, is also treated as receiving a distribution to which Section 301 of the Code applies in an amount equal to a pro rata share of any brokerage commission or other related charges paid by the Corporation in connection with the purchase of stock on behalf of the shareholder. The federal income tax treatment of any distribution depends upon the amount of the Corporation's current and/or accumulated earnings and profits as discussed above. Most brokerage commissions paid by the Corporation will be treated as taxable ordinary income.

Additional Information. The per share tax basis of shares acquired for a participant under the Plan will be the price per share reported on the periodic statement of account supplied to each participant, adjusted to include the amount of commissions and other brokerage expenses paid on behalf of the participant, as reported in the Internal Revenue Service information referred to in No. 16, above. The holding period for shares acquired pursuant to the Plan will begin on the day after the date the shares are acquired for a participant's account. In the case of any shareholder as to whom federal income tax withholding on distributions is required, and in the case of any foreign shareholder whose taxable income under the Plan is subject to federal income tax withholding, dividends will be reinvested net of the required amount of tax withheld.

The Corporation believes that participants will not realize any taxable income upon receipt of certificates for whole shares credited to their accounts, either upon the withdrawal of shares from the Plan or upon termination of participation in the Plan. A participant who sells or exchanges shares previously received from the Plan, or who directs the Plan Administrator to sell his or her Plan shares, may, however, recognize gain or loss. A participant will also likely be required to recognize gain or loss upon the receipt of a cash payment for a fractional share credited to the participant's account upon withdrawal of shares from the Plan. The amount of gain or loss in either case will be the difference between the amount the participant receives for the Plan shares or fractional share and the participant's tax basis in such shares or fractional share.

Participants who purchase Common Stock under the Plan with voluntary cash contributions should not recognize income in connection with such contributions or purchases made with such contributions. The tax basis of shares purchased under these circumstances will be equal to the purchase price as adjusted for the amount of commission expenses paid on behalf of the participant.

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Dividends reinvested under the Plan by corporate shareholders may be eligible for the dividends-received deduction.

**Other Information**

23. What happens if the Corporation declares a stock dividend or effects a stock split?

The Plan Administrator credits any shares issued in connection with a stock split or stock dividend on Common Stock held under the Plan to the participant's Plan account. Similarly, the number of shares available under the Plan will be adjusted *pro rata* to give effect to any stock split or stock dividend.

24. If the Corporation has a rights offering, how will a participant's entitlement be computed?

A participant's entitlement in a rights offering is based upon his or her total holdings, in the same manner as dividends are computed currently. The Corporation will issue rights certificates for the number of whole shares only, however, held in a participant's account.

25. How are shares in a participant's account voted at a meeting of the shareholders?

If, on a record date for a meeting of shareholders, there are shares in a participant's Plan account, the Plan Administrator will send proxy materials for the meeting to the participant. A participant is entitled to vote all shares of Common Stock credited to his or her account. The participant may also vote his or her shares at the meeting in person or by proxy.

26. What are the responsibilities and liabilities of the Corporation and the Plan Administrator?

The Corporation and the Plan Administrator shall not be liable for any act taken in good faith or for any good faith omission to act, including without limitation, any claims of liability:

- Arising out of a failure to terminate a participant's account upon his or her death;



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- With respect to the prices at which shares of the Corporation's Common Stock are purchased or sold, (i) the times when or the manner in which purchases or sales are made; (ii) the decision whether to purchase shares of Common Stock on the open market, from the Corporation or in private transactions; or (iii) fluctuations in the market value of the Common Stock; and

- Relating to the operation or management of the Plan.

The Corporation cannot assure that participants will make a profit on, or protect participants against losses from, investments in the Common Stock purchased by or for participants under the Plan.

All transactions in connection with the Plan will be governed by the laws of the Commonwealth of Pennsylvania, and are subject to all applicable federal tax and securities laws.

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27. May the Plan be amended, modified or discontinued?

Yes. The Corporation, in its discretion, may amend, modify, suspend or terminate the Plan and will endeavor to notify participants of any such amendment, modification, suspension or termination. The Corporation may terminate, for whatever reason, at any time, as it may determine in its sole discretion, a shareholder's participation in the Plan, after mailing a notice of intention to terminate to the participant at the participant's address as it appears on the Plan Administrator's records. In addition, the Corporation and the Plan Administrator may each adopt reasonable procedures for the administration of the Plan. The Corporation has the sole authority to interpret the Plan in the manner that it deems appropriate in its absolute discretion.

28. Who will bear the costs of the purchases made under the Plan?

The Corporation will pay all costs associated with purchases of Common Stock under the Plan. Participants will incur no brokerage commissions or other charges for purchases made under the Plan.

29. May a participant pledge shares purchased under the Plan?

No. Shares credited to a participant's account under the Plan may not be pledged or assigned, nor may any rights or interests under the Plan be transferred, pledged or assigned, and any purported pledge, assignment or transfer shall be void. Participants who wish to pledge or assign their shares held under the Plan must withdraw those shares from the Plan.

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**USE OF PROCEEDS**

The Corporation does not know the number of common shares that shareholders will ultimately purchase under the Plan or the prices at which these shares will be purchased. To the extent that shares are purchased from the Corporation, and not in the open market, the Corporation intends to add the proceeds it receives from the sales to its general funds to be used for general corporate purposes, including, without limitation, investments in and advances to the Bank. The amounts and timing of the application of proceeds will depend upon the funding requirements of the Corporation and the Bank and the availability of other funds.

**EXPERTS**

The consolidated financial statements of the Corporation and its subsidiary in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007, incorporated by reference into this prospectus, have been audited by Parente Randolph, LLC, independent registered public accounting firm, as indicated in its report and are included in this prospectus in reliance upon the authority of that firm as experts in accounting and auditing.

Documents incorporated by reference in the future will include financial statements, related schedules and report of independent registered public accounting firm. The financial statements and schedules will have been audited to the extent and for the periods set forth in the reports by the independent auditors. To the extent the auditors consent, the audited financial statements and schedules will be incorporated by reference in reliance upon the reports given upon the authority of the independent auditors as experts in accounting and auditing.

**LEGAL OPINION**

The legality of the common stock covered in this prospectus has been passed upon for the Corporation by Shumaker Williams, P.C., special corporate counsel. Based on this opinion, the shares of common stock being offered will, upon their issuance or sale in accordance with the terms of the Plan, be duly authorized, legally issued, fully paid and nonassessable.

**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The general corporate law of the Commonwealth of Pennsylvania, as applicable to the Corporation, together with the Corporation's bylaws, provides the Corporation's officers and directors with a broad range of limitation from liability and indemnification for actions and inactions in connection with the performance of their duties. Aside from matters involving criminal statutes or tax laws, directors are not personally liable for monetary damages for any action or inaction taken unless the director has breached or failed to perform his or her duties of office and that breach or failure constitutes self-dealing, willful misconduct or recklessness. The Corporation's officers and directors are entitled to be indemnified if they are named as a party or threatened to be named as a party to any type of proceeding as a result of actions or inactions taken while in the course of their association with the Corporation, provided that this action or



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inaction was in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation. Officers and directors of the Corporation will be presumed to be entitled to this indemnification absent breaches of fiduciary duty, lack of good faith or self-dealing and will be entitled to be indemnified unless their conduct is determined by a court to have constituted willful misconduct or recklessness.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Corporation pursuant to the provisions described above, the Corporation has been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Table of Contents**PART II. INFORMATION NOT REQUIRED IN PROSPECTUS**

## Item 14. Other Expenses of Issuance and Distribution.

Management estimates that the expenses payable by the company in connection with the sale of securities registered on the Registration Statement will be as follows:

Registration Fee	\$	244
Blue Sky Fees	\$	825
Accounting Fees and Expenses*	\$	1,500
Legal Fees and Expenses*	\$	15,000
Printing, postage and EDGAR Filing Expenses*	\$	5,000
Miscellaneous *	\$	100
TOTAL	\$	22,669

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\*Estimated

## Item 15. Indemnification of Directors and Officers.

The Pennsylvania Business Corporation Law provides that a business corporation has the power under certain circumstances to indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action or proceeding if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal proceeding, had reasonable cause to believe that his conduct was not unlawful.

With respect to derivative actions, the Pennsylvania Business Corporation Law provides that unless otherwise restricted in its by-laws, a business corporation has the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a representative of the corporation, or is or was



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serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith and in a manner he reasonably believed to be in, or not opposed to the best interests of the corporation. Indemnification shall not be made under this section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the corporation unless, and only to the extent that, the court of common pleas of the judicial district embracing the county in which the registered office of the corporation is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court of common pleas or such other court shall deem proper.

The Pennsylvania Business Corporation Law provides for mandatory indemnification of directors and officers to the extent that a representative of the business corporation has been successful on the merits or otherwise in defense of any action or proceeding relating to third party actions or to derivative actions. The person is indemnified against expenses, including attorneys' fees actually and reasonably incurred in connection with the defense of the action.

Article 23 of the company's By-laws provides for indemnification to the full extent authorized by Pennsylvania law. Directors and officers are also insured against certain liabilities for their actions as such by an insurance policy obtained by the Corporation.

Item 16. Exhibits

The following exhibits are included in this Registration Statement:

**Exhibit Number**

- |      |   |
|------|---|
| 4.1  | Registrant's Amended and Restated 2000 Dividend Reinvestment Plan (Included in the Prospectus).   |
| 5.1  | Opinion of Shumaker Williams, P.C., of Camp Hill, Pennsylvania, Special Counsel to Registrant, as to legality of the shares of Registrant's common stock. |
| 23.1 | Consent of Shumaker Williams, P.C. (Included in Exhibit 5.1).   |
| 23.2 | Consent of Parente Randolph, LLC, Independent Registered Public Accounting Firm.  |
| 24.1 | Power of Attorney given by the Officers and Directors of the Registrant (Included on Signature Page).   |
| 99.1 | Authorization Form.   |
| 99.2 | Letter to Shareholders.   |



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Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;

(b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(c) To include any material information with respect to the Plan of distribution not previously disclosed in the registration statement or any material change to the information in the registration statement.

Provided, however, that paragraphs (a) and (b) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit Plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial *bona fide* offering thereof.



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(5) Insofar as indemnification for liabilities arising under the 1933 Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the 1933 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by a director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the Borough of Dunmore, Commonwealth of Pennsylvania on August 5, 2008.

**FIDELITY D & D BANCORP, INC.**

By: */s/ Steven C. Ackmann*  
Steven C. Ackmann  
President and Chief Executive Officer

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Table of Contents**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Steven C. Ackmann and Salvatore R. DeFrancesco, Jr., and each of them, his true and lawful attorney-in-fact, as agent with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacity, to sign any or all amendments to this registration statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that the attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<b>Name</b>	<b>Capacity</b>	<b>Date</b>
/s/ Steven C. Ackmann Steve C. Ackmann	President and Chief Executive Officer (Principal Executive Officer)	August 5, 2008
/s/ Salvatore R. DeFrancesco, Jr. Salvatore R. DeFrancesco, Jr.	Treasurer and Chief Financial Officer (Principal Accounting or Financial Officer)	August 5, 2008
/s/ Brian J. Cali Brian J. Cali	Director	August 5, 2008
/s/ Samuel C. Cali Samuel C. Cali	Director	August 5, 2008
John T. Cognetti	Director, Secretary	August 5, 2008
Patrick J. Dempsey	Director, Chairman of the Board	August 5, 2008
/s/ Mary E. McDonald Mary E. McDonald	Director	August 5, 2008
/s/ Michael J. McDonald Michael J. McDonald	Director	August 5, 2008
/s/ David L. Tressler, Sr. David L. Tressler, Sr.	Director	August 5, 2008

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**INDEX TO EXHIBITS**

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23.1	Consent of Shumaker Williams, P.C. (Included in Exhibit 5).
23.2	Consent of Parente Randolph, LLC, Independent Registered Public Accounting Firm.
24	Power of Attorney given by the Officers and Directors of the Registrant (Included on Signature Page).
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99.2	Letter to Shareholders.

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