

SIMMONS FIRST NATIONAL CORP

Form S-4/A

August 08, 2016

As filed with the Securities and Exchange Commission on August 8, 2016.

Registration No. 333-212453

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**Amendment No. 2
to
FORM S-4**

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

SIMMONS FIRST NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)

71-0407808
(I.R.S. Employer
Identification Number)

**501 Main Street
Pine Bluff, Arkansas 71601
(870) 541-1000**

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

George A. Makris, Jr.
Chairman and Chief Executive Officer
Simmons First National Corporation
501 Main Street
Pine Bluff, Arkansas 71601
(870) 541-1000

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

With copies to:

Patrick A. Burrow,
Executive Vice President,
General Counsel and Secretary
Simmons First National
Corporation
425 W. Capitol Avenue, Suite
1400
Little Rock, Arkansas 72201
(501) 558-3160

Frank M. Conner III
Michael P. Reed
Covington & Burling LLP
One CityCenter
850 Tenth Street NW
Washington, D.C. 20001
(202) 662-6000

Paul G. Willson
Chairman and Chief Executive
Officer
Citizens National Bancorp, Inc.
Two Park Street
Athens, Tennessee 37303
(423) 745-0261

Steven J. Eisen
Baker, Donelson, Bearman,
Caldwell & Berkowitz, PC
211 Commerce Street,
Suite 800 Nashville,
Tennessee 37201
(615) 726-5718

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable
after this Registration Statement becomes effective and upon completion of the sale described in the enclosed
document.

If the securities being registered on this Form are being offered in connection with the formation of a holding
company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of
1933, as amended, check the following box and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) 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.

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. (Check one):

- Large accelerated filer Accelerated filer
Non-accelerated filer Smaller accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

- Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this proxy statement/prospectus is not complete and is subject to completion or amendment and may be changed. We have filed a registration statement relating to these securities with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus is not an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY SUBJECT TO COMPLETION DATED
August 8, 2016**

SALE PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

You are cordially invited to attend the annual meeting of the shareholders of Citizens National Bancorp, Inc., or CNBI, to be held on Wednesday, September 7, 2016 at 1:00 p.m., local time at The Comfort Inn, 2811 Decatur Pike, Athens, Tennessee 37303. At the annual meeting, CNBI is seeking your approval of:

the stock purchase agreement, dated as of May 18, 2016, as amended on August 3, 2016, by and among CNBI, Citizens National Bank, or Citizens Bank, and Simmons First National Corporation, or Simmons, which we refer to as the stock purchase agreement, which contemplates the sale of all of the capital stock of Citizens Bank to Simmons, which we refer to as the sale and we refer to the proposal to approve the sale and the stock purchase agreement as the sale proposal;

subject to the approval of the sale proposal, the liquidation and dissolution of CNBI following the closing of the sale, which we refer to as the dissolution, as set forth in the plan of dissolution of CNBI, which we refer to as the dissolution proposal;

the election of directors of CNBI, which we refer to as the director election proposal; and the adjournment of the annual meeting, if necessary, to solicit additional proxies in favor of the sale proposal, which we refer to as the adjournment proposal.

As consideration for the sale, CNBI will receive \$40,348,222 in cash, which we refer to as the Cash Consideration, and 835,741 shares of Simmons common stock with an aggregate value of \$38,268,580.39, based on a closing price of Simmons common stock of \$45.79 on May 18, 2016, the last full trading day before the public announcement of the stock purchase agreement, which we refer to as the Stock Consideration. Both the Stock Consideration and the Cash

Consideration will be paid directly to CNBI, and not to CNBI shareholders. Subject to CNBI and Citizens Bank receiving regulatory approval, Citizens Bank will pay a special dividend of at least \$3,000,000 to CNBI immediately prior to the closing of the sale. The amount of the special dividend in excess of \$3,000,000 will be credited toward the Cash Consideration, and the remainder of the Cash Consideration will be paid by Simmons to CNBI at the closing of the sale. We refer to the sum of the Cash Consideration and the special dividend less the projected cash reserve (as described below) as the Aggregate Liquidation Amount and the amount that each CNBI shareholder will receive from the Aggregate Liquidation Amount (which shall be paid to the CNBI shareholders on a pro rata basis) as the Liquidation Payment.

If the sale proposal and the dissolution proposal are approved and the sale is completed, CNBI intends to dissolve itself as a legal entity following the satisfaction of all of its outstanding liabilities and distribute its assets to the shareholders of CNBI. The assets available for distribution to CNBI shareholders will primarily consist of the Stock

Consideration, the Cash Consideration and the special dividend less the amount of cash necessary to satisfy CNBI's outstanding liabilities, or the cash reserve. CNBI estimates that approximately \$100,000, which we refer to as the projected cash reserve along with the amount of cash to be received from the liquidation of other CNBI assets, will be sufficient to satisfy and pay out all of CNBI's known and unknown claims and liabilities, and that all of the Stock Consideration and the Aggregate Liquidation Amount will be distributed to the holders of CNBI common stock shortly following the completion of the sale. If the Aggregate Liquidation Amount (assuming no adjustments to the projected cash reserve) and all of the Stock Consideration is ultimately distributed to CNBI shareholders, CNBI shareholders would receive approximately \$284.00 in cash and 5.2 shares of Simmons common stock per share of CNBI common stock, or \$522.10 per share of CNBI common stock, based on a closing price of Simmons common stock of \$45.79 on May 18, 2016, the last full trading day before the public announcement of the stock purchase agreement; however, CNBI is unable at this time to predict the exact amount, nature and timing of any distributions to its shareholders. If the liabilities of CNBI exceed the projected cash reserve, CNBI will be required to increase the cash reserve to satisfy its obligations before its dissolution and liquidation, thereby reducing, and perhaps eliminating, the cash available for distribution to CNBI shareholders in the dissolution. If the sale proposal is approved and the dissolution proposal is not, then the CNBI shareholders will likely not receive the Stock Consideration and the Aggregate Liquidation Amount but still may owe taxes in connection with the sale. See See Risk Factors Approval of the dissolution proposal is not required to approve the sale proposal or complete the sale for information regarding certain risks if the dissolution is not approved.

The table below indicates the amount of cash and the value of Simmons common stock that CNBI shareholders may receive in the dissolution, on a per share basis, assuming a cash reserve of \$100,000 and the market prices of Simmons common stock at the time of the dissolution. However, the value of the consideration to be received by CNBI at the closing of the sale and the amount of such consideration that will be distributed to CNBI shareholders in the dissolution is, as described above, subject to variation based on the changing value of Simmons common stock, the amount of the cash reserve and the contingencies associated with CNBI's liquidation and dissolution process. Accordingly, as of the time of the annual meeting, CNBI shareholders cannot be provided the amount of cash or the value of the shares of Simmons common stock that they will receive in the dissolution. Simmons common stock is listed on the NASDAQ Global Select Market under the Symbol SFNC.

We urge you to obtain current market quotations for shares of Simmons common stock.

		Market Price of Simmons Common Stock			
		\$35.00	\$40.00	\$45.00	\$50.00
		(Aggregate value of cash and Simmons common stock to be received per share of CNBI common stock)			
Cash Reserve at Closing	\$ 100,000	\$ 465.99	\$ 491.99	\$ 517.99	\$ 543.99

Your vote is important. We cannot complete the sale unless CNBI shareholders approve the sale proposal. We cannot complete the dissolution unless CNBI shareholders approve the dissolution proposal. Approval of the dissolution proposal is not required to approve the sale proposal or complete the sale; however, approval of the sale proposal and completion of the sale is required to complete the dissolution. In order for the sale to be approved, the sale proposal must be approved by the affirmative vote of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the sale proposal. In order for the dissolution to be approved, the dissolution proposal must be approved by the affirmative vote of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the dissolution proposal. Regardless of whether you plan to attend the CNBI annual meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus.

The CNBI board of directors unanimously recommends that CNBI shareholders vote FOR the sale proposal, FOR the dissolution proposal, FOR the director election proposal and FOR the adjournment proposal, if necessary or appropriate.

This proxy statement/prospectus describes the CNBI shareholders annual meeting, the sale, the documents related to the sale, the dissolution, the documents related to the dissolution, and other related matters. Please carefully read this entire document, including Risk Factors beginning on page 17, for a discussion of the risks relating to the proposed sale and dissolution.

Paul G. Willson
Chairman & CEO
Citizens National Bancorp, Inc.

Neither the United States Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the sale or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the sale are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Simmons or CNBI, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is _____, 2016, and it is first being mailed or otherwise delivered to CNBI shareholders on or about August 9, 2016.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Simmons from documents filed with or furnished to the United States Securities and Exchange Commission, which we refer to as the SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Simmons at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference by Simmons in this proxy statement/prospectus, at no cost by contacting Simmons in writing or by telephone at the following addresses:

Simmons First National Corporation

501 Main Street
P.O. Box 7009
Pine Bluff, Arkansas 71611
Attention: Patrick A. Burrow
Telephone: (870) 541-1000

You will not be charged for any of these documents that you request. CNBI shareholders requesting documents must do so by September 6, 2016 in order to receive them before the annual meeting to be held on September 7, 2016.

In addition, if you have questions about the sale, the dissolution or the CNBI annual meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Kristie McNutt, Assistant Secretary, Citizens National Bancorp, Inc., at the following addresses and telephone number:

Citizens National Bancorp, Inc.

P.O. Box 220
Athens, Tennessee 37371-0220
Attention: Kristie McNutt, Assistant
Secretary
Telephone: (423) 745-0261

See **Where You Can Find More Information** beginning on page 95 for more details.

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CITIZENS NATIONAL BANCORP, INC. NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 7, 2016

To the Shareholders of Citizens National Bancorp, Inc.:

CNBI, will hold its annual meeting of shareholders on September 7, 2016 at 1:00 p.m., local time at The Comfort Inn, 2811 Decatur Pike, Athens, Tennessee 37303. The annual meeting will be held for the purposes of allowing CNBI shareholders to consider and vote upon the following matters:

a proposal to approve the stock purchase agreement, dated as of May 18, 2016, as amended on August 3, 2016, by and among CNBI, Citizens Bank, and Simmons, as amended from time to time, pursuant to which CNBI will sell of all of the capital stock of Citizens Bank to Simmons, as more fully described in the attached proxy statement/prospectus, which we refer to as the sale proposal;

a proposal to approve the plan of dissolution of CNBI, and the liquidation and dissolution of CNBI contemplated thereby, subject to the approval of the stock purchase agreement and the sale and following the closing of the sale as more fully described in the attached proxy statement/prospectus, which we refer to as the dissolution proposal;

a proposal to elect directors of CNBI, which we refer to as the director election proposal; and

a proposal to approve the adjournment of the annual meeting, if necessary, to solicit additional proxies in favor of approval of the stock purchase agreement, which we refer to as the adjournment proposal.

CNBI has fixed the close of business on August 3, 2016 as the record date for the annual meeting. Only CNBI shareholders of record at that time are entitled to notice of, and to vote at, the annual meeting, or any adjournment or postponement of the annual meeting. In order for the sale to be approved, the sale proposal must be approved by the affirmative vote of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the sale proposal. In order for the dissolution to be approved, the dissolution proposal must be approved by the affirmative vote of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the dissolution proposal.

Your vote is very important. We cannot complete the sale unless CNBI shareholders approve the stock purchase agreement and we cannot complete the dissolution unless CNBI shareholders approve the plan of dissolution.

Approval of the dissolution proposal is not required to approve the sale proposal or complete the sale; however, approval of the sale proposal and completion of the sale is required to complete the dissolution.

As a shareholder of record, you are cordially invited to attend the annual meeting in person. Regardless of whether you plan to attend the annual meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished to you by your bank or broker. Properly executed proxy cards with no instructions indicated on the proxy card will be voted **FOR** the sale proposal, **FOR** the dissolution proposal, **FOR** the director election proposal, and **FOR** the adjournment proposal, if necessary or appropriate. If you hold CNBI common stock in your name as a shareholder of record or hold a valid proxy from the holder of record and attend the annual meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your prompt attention is greatly appreciated.

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The enclosed proxy statement/prospectus provides a detailed description of the sale, the stock purchase agreement, the dissolution, the plan of dissolution and related matters. We urge you to read the proxy statement/prospectus, including any documents incorporated in the proxy statement/prospectus by reference, and its appendices and annexes, carefully and in their entirety. If you have any questions concerning the sale, the dissolution, or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of CNBI common stock, please contact Kristie McNutt, Citizens National Bancorp, Inc., Assistant Secretary, at P.O. Box 220, Athens, Tennessee 37371-0220 or (423) 745-0261.

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The CNBI board of directors has adopted the stock purchase agreement and the plan of dissolution and has determined that the stock purchase agreement and the plan of dissolution and the transactions contemplated thereby, including the sale, are in the best interests of CNBI and its shareholders, and unanimously recommends that CNBI shareholders vote FOR approval of the sale proposal, FOR approval of the dissolution proposal, FOR approval of the director election proposal and FOR approval of the adjournment proposal, if necessary or appropriate.

BY ORDER OF THE BOARD OF DIRECTORS,

Mintie C. Willson, Corporate Secretary
Athens, Tennessee

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by Simmons, constitutes a prospectus of Simmons under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Simmons common stock to be issued to CNBI pursuant to the sale and the distribution to CNBI shareholders in the dissolution. This proxy statement/prospectus also constitutes a proxy statement for CNBI. It also constitutes a notice of meeting with respect to the annual meeting of CNBI shareholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated , 2016. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this proxy statement/prospectus to CNBI shareholders nor the issuance by Simmons of shares of Simmons common stock to CNBI in connection with the sale and the distribution to CNBI shareholders in connection with the dissolution will create any implication to the contrary.

This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding Simmons has been provided by Simmons, and information contained in this proxy statement/prospectus regarding CNBI has been provided by CNBI.

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QUESTIONS AND ANSWERS ABOUT THE SALE, THE DISSOLUTION AND THE CNBI ANNUAL MEETING

The following are some questions that you may have regarding the sale of Citizens Bank to Simmons, the dissolution of CNBI and the CNBI annual meeting of shareholders, which we refer to as the CNBI annual meeting, and brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the sale, the dissolution and the CNBI annual meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 95.

Unless the context requires otherwise, references in this proxy statement/prospectus to Simmons refer to Simmons First National Corporation, an Arkansas corporation, and/or its consolidated subsidiaries, references in this proxy statement/prospectus to CNBI refer to Citizens National Bancorp, Inc., a Tennessee corporation, and/or its consolidated subsidiaries, and references in this proxy statement/prospectus to we, our and us refer to Simmons and CNBI collectively.

Q: What am I being asked to vote on at the CNBI annual meeting?

Simmons, CNBI and Citizens Bank have entered into a stock purchase agreement dated as of May 18, 2016, as amended on August 3, 2016, which we refer to as the stock purchase agreement, pursuant to

A: which CNBI has agreed to sell to Simmons all of the capital stock of Citizens Bank, which we refer to as the sale. CNBI shareholders are being asked to approve the stock purchase agreement and the transactions it contemplates, including the sale, which we refer to as the sale proposal.

Following the completion of the sale, CNBI intends promptly to wind-up its affairs and distribute the shares of Simmons common stock and a majority of the cash it receives in the sale to CNBI shareholders in accordance with a plan of dissolution. CNBI shareholders also are being asked to approve the plan of dissolution and the transactions it contemplates, including the dissolution, which we refer to as the dissolution proposal.

CNBI shareholders are being asked to elect nominees to the CNBI board of directors to serve as directors for a one-year term expiring at the annual meeting of CNBI shareholders occurring in 2017, which we refer to as the director election proposal. Each nominee has consented to serve on the CNBI board of directors. Nominees are presented below under **Election of Directors** beginning on page 62.

CNBI shareholders also are being asked to approve the adjournment of the CNBI annual meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the stock purchase agreement, which we refer to as the adjournment proposal.

This proxy statement/prospectus includes important information about the sale, the stock purchase agreement, a copy of which is attached as Annex A to this proxy statement/prospectus, the dissolution, the plan of dissolution, a copy of which is attached as Annex B to this proxy statement/prospectus, and the CNBI annual meeting. CNBI shareholders should read this information carefully and in its entirety. The enclosed voting materials allow CNBI shareholders to vote their shares without attending the CNBI annual meeting in person.

Q: How does the CNBI board of directors recommend I vote at the CNBI annual meeting?

A: The CNBI board of directors unanimously recommends that you vote **FOR** the sale proposal, **FOR** the dissolution proposal, **FOR** the director election proposal, and **FOR** the adjournment proposal, if necessary or appropriate. See the sections entitled The Sale CNBI s Reasons for the Sale; Recommendation of the CNBI Board of Directors; beginning on page 40 and The Dissolution beginning on page 61.

Q: When and where is the CNBI annual meeting?

A: The annual meeting of CNBI shareholders will be held on September 7, 2016, at The Comfort Inn, 2811 Decatur Pike, Athens, Tennessee 37303, at 1:00 p.m. local time.

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Q: Who is entitled to vote?

A: Holders of record of CNBI common stock at the close of business on August 3, 2016, which is the date that the CNBI board of directors has fixed as the record date for the CNBI annual meeting, are entitled to vote at the CNBI annual meeting.

Q: What do I need to do now?

A: If you are a CNBI shareholder of record as of the close of business on the record date, after you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the CNBI annual meeting. If you hold stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote your shares, following the instructions your bank or broker provides.

Street name shareholders who wish to vote at the CNBI annual meeting will need to obtain a proxy form from the institution that holds their shares.

Q: What constitutes a quorum for the CNBI annual meeting?

A: The presence at the CNBI annual meeting, in person or by proxy, of the holders of a majority of the CNBI common stock issued and outstanding and entitled to vote with respect to each proposal will constitute a quorum for the purposes of considering and acting on each proposal. If a quorum is not present, the CNBI annual meeting will be postponed until the holders of the number of shares of CNBI common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of CNBI common stock will be counted for purposes of determining whether a quorum is present at the CNBI annual meeting. If additional votes must be solicited to approve the sale proposal and the adjournment proposal is approved, it is expected that the CNBI annual meeting will be adjourned to solicit additional proxies.

Q: What is the vote required to approve each proposal at the CNBI annual meeting?

A: Approval of the sale proposal requires the affirmative vote of holders of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the sale proposal.

Approval of the dissolution proposal requires the affirmative vote of holders of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the dissolution proposal. Approval of the dissolution proposal is not required to approve the sale proposal or complete the sale; however, approval of the sale proposal and completion of the sale is required to complete the dissolution. See Risk Factors Approval of the dissolution proposal is not required to approve the sale proposal or complete the sale for information regarding certain risks if the dissolution is not approved.

Approval of the CNBI director election proposal requires the affirmative vote of holders of a plurality of the votes cast, in person or by proxy, by all CNBI shareholders entitled to vote at the CNBI annual meeting.

Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, by all CNBI shareholders entitled to vote at the CNBI annual meeting.

If you mark ABSTAIN on your proxy card, fail to either submit a proxy or vote in person at the CNBI annual meeting, or fail to instruct your bank or broker how to vote with respect to the sale proposal or the dissolution proposal, it will have the same effect as a vote AGAINST the proposal.

See the sections entitled, The CNBI Annual Meeting Record Date and Quorum beginning on page 29 and The CNBI Annual Meeting Required Vote; Treatment of Abstentions and Failure to Vote beginning on page 29.

Q: Why is my vote important?

A:

If you do not vote, it will be more difficult for CNBI to obtain the necessary quorum to hold the CNBI annual meeting. If you vote to abstain, or fail to either submit a proxy or vote in person at the CNBI

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annual meeting, or fail to instruct your bank or broker how to vote with respect to the sale proposal or the dissolution proposal, it will have the same effect as a vote **AGAINST** the sale proposal and/or the dissolution proposal. The sale proposal and the dissolution proposal must each be separately approved by the affirmative vote of a majority of the shares of CNBI common stock outstanding and entitled to vote with respect to the sale proposal and the dissolution proposal, respectively. The CNBI board of directors unanimously recommends that you vote **FOR** both the sale proposal and the dissolution proposal.

Q: How many votes do I have?

A: Each outstanding share of CNBI common stock entitles its holder to cast one vote. As of the record date, there were 148,730.766 shares of CNBI common stock, no par value per share, outstanding and entitled to vote at the CNBI annual meeting.

Q: How do I vote if I own shares through the CNBI Employee Stock Ownership Plan, which we refer to as the CNBI ESOP?

A: You will be given the opportunity to instruct the trustee of the CNBI ESOP Plan how to vote the shares that you hold in your account for the sale proposal and the dissolution proposal. To the extent that you do not timely give such instructions, the trustee will vote all unvoted shares held in the CNBI ESOP Plan.

Q: Can I attend the CNBI annual meeting and vote my shares in person?

A: Yes. All CNBI shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the CNBI annual meeting. Holders of record of CNBI common stock can vote in person at the CNBI annual meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the CNBI annual meeting. If you plan to attend the CNBI annual meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. CNBI reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the CNBI annual meeting is prohibited without CNBI's express written consent.

Q: Can I change my vote?

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to CNBI's secretary, or (3)