
Section 1: 425 (FORM 8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

October 1, 2018

ORRSTOWN FINANCIAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

001-34292

23-2530374

(State or other jurisdiction of incorporation)

(SEC File Number)

(IRS Employer Identification No.)

77 East King Street, P.O. Box 250, Shippensburg, Pennsylvania

17257

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

717 532-6114

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On October 1, 2018, Orrstown Financial Services, Inc. (“Orrstown”) completed the previously announced acquisition of Mercersburg Financial Corporation (“Mercersburg”), pursuant to an Agreement and Plan of Merger dated May 31, 2018 (the “Merger Agreement”), by and between Orrstown and Mercersburg. Pursuant to the terms of the Merger Agreement, Mercersburg has merged with and into Orrstown (the “Merger”) with Orrstown as the surviving corporation. As a result of the Merger, each Mercersburg stockholder has the right to receive either \$40.00 in cash, without interest, or 1.5291 shares of the Orrstown’s common stock in exchange for each share of Mercersburg common stock, subject to proration to ensure that in the aggregate 85% of Mercersburg common stock will be converted to Orrstown common stock and the remaining 15% of Mercersburg common stock will be converted to cash. Immediately following the Merger, First Community Bank of Mercersburg merged with and into Orrstown Bank with Orrstown Bank as the surviving bank.

The foregoing description of the Merger and Merger Agreement is not complete and is qualified in its entirety by reference to the Merger Agreement, which was attached as Exhibit 2.1 to Orrstown’s Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on June 1, 2018, and is incorporated herein by reference.

A copy of the press release, dated October 1, 2018, announcing the completion of the Merger is attached hereto as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

In connection with the closing of Orrstown’s acquisition of Mercersburg, Mr. Michael J. Rice was appointed to the Boards of Directors of Orrstown and Orrstown Bank. Mr. Rice had previously served as the Vice-Chairman of Mercersburg and First Community Bank of Mercersburg. He has served as the Manager & Vice-President of Mt. Parnell Fisheries, Inc., a producer and international marketer of ornamental goldfish and Koi carp, headquartered in Mercersburg, Pennsylvania, since 1998.

The Merger Agreement provided that immediately upon the effective time of the Merger, Orrstown and Orrstown Bank would expand their respective Boards of Directors by one seat and appoint one member of the Mercersburg board of directors, as mutually agreed by Orrstown and Mercersburg. Effective October 1, 2018, (1) the sizes of the Orrstown Board of Directors and the Orrstown Bank Board of Directors were each expanded by one seat, and (2) Mr. Rice was appointed to serve as a director of Orrstown and Orrstown Bank. Mr. Rice will be entitled to receive the same compensation paid to the non-employee directors of Orrstown, which currently consists of an annual retainer and annual equity grants made under Orrstown’s equity incentive plan. Mr. Rice will also have the option to participate in Orrstown’s non-qualified deferred compensation plan on the same terms offered to all other non-employee directors of Orrstown.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished as part of this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated October 1, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORRSTOWN FINANCIAL SERVICES, INC.

Date: October 1, 2018

By: /s/ Thomas R. Quinn, Jr.
Thomas R. Quinn, Jr.
President and Chief Executive Officer

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Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

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Orrstown Financial Services, Inc. and Mercersburg Financial Corporation Complete Merger

SHIPPENSBURG, PA - Orrstown Financial Services, Inc. (“Orrstown”) (NASDAQ: ORRF), the bank holding company for Orrstown Bank, announced the successful closing of the previously announced acquisition of Mercersburg Financial Corporation (“Mercersburg”). In connection with the holding company merger, Mercersburg’s banking subsidiary, First Community Bank of Mercersburg, has been merged with and into Orrstown Bank.

“We are pleased to welcome Mercersburg’s customers, employees, and shareholders to the Orrstown family,” said Thomas R. Quinn, Jr., Orrstown President and CEO. “As one community bank, we will be able to enhance our customer experience by providing a wider range of products and services through additional locations and digital channels.”

Effective as of legal closing, Mercersburg President and CEO, Robert J. Fignar will become Executive Vice President and Orrstown’s Market President for Franklin and Perry County, Pennsylvania, and Washington County, Maryland.

“Through this combination with Orrstown, we are pleased to have been able to provide increased value to our customers and shareholders,” said Fignar. “The cultures of our two organizations are closely aligned, and we are committed to building upon our shared core values of supporting our customers and the needs of the communities we serve.”

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About Orrstown

With over \$1.8 billion in assets, Orrstown Financial Services, Inc. and its wholly-owned subsidiaries, Orrstown Bank and Wheatland Advisors, Inc., provide a wide range of consumer and business financial services in Berks, Cumberland, Dauphin, Franklin, Lancaster, Perry, and York Counties, Pennsylvania and Washington County, Maryland. Orrstown Bank is an Equal Housing Lender and its deposits are insured up to the legal maximum by the FDIC. Orrstown Financial Services, Inc.'s stock is traded on Nasdaq (ORRF). For more information about Orrstown Financial Services, Inc. and Orrstown Bank, visit www.Orrstown.com. For more information about Wheatland Advisors, Inc., visit www.WheatlandAdvisors.com.

Forward -Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements reflect the current views of Orrstown’s management with respect to, among other things, future events and Orrstown’s financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “forecast,” “goal,” “target,” “would” and “outlook,” or the negative variations of those words or other comparable words of a future or forward-

looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about Orrstown's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond Orrstown's control. Accordingly, Orrstown cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although Orrstown believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Factors which could cause the actual results of Orrstown's operations to differ materially from expectations are set forth in Orrstown's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and the registration statement on Form S-4 containing the proxy statement/prospectus of Mercersburg Financial Corporation filed with the SEC (Registration No. 333-226098). The foregoing list of factors is not exhaustive.

If one or more events related to these or other risks or uncertainties materialize, or if Orrstown's underlying assumptions prove to be incorrect, actual results may differ materially from what Orrstown anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and Orrstown does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties arise from time to time, and it is not possible for Orrstown to predict those events or how they may affect it. In addition, Orrstown cannot assess the impact of each factor on Orrstown's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Orrstown or persons acting on Orrstown's behalf may issue.

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