

OHIO VALLEY BANC CORP

Form PRE 14A

March 18, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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

OHIO VALLEY BANC CORP.
(Exact Name of Small Business Issuer as Specified in its Charter)

(Name of person(s) filing proxy statement, if other than registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing Party:

(4) Date Filed:

ANNUAL MEETING OF SHAREHOLDERS
Wednesday, May 12, 2010

TO OUR SHAREHOLDERS:

We take pleasure in inviting you to our Annual Meeting of Shareholders, which will be held on Wednesday, May 12, 2010, at 5:00 p.m., Eastern Daylight Saving Time, at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio.

The Annual Meeting will be held for the purpose of electing directors, amending the Company's Code of Regulations, ratifying the selection of the Company's independent registered public accounting firm, and transacting such other business as may properly be brought before it. At the meeting, we shall also report to you on our operations during the past year and plans for the future.

The close of business on March 25, 2010 has been fixed as the record date for determination of shareholders entitled to notice of the Annual Meeting and to vote at the Annual Meeting or any adjournment thereof.

The formal Notice of Annual Meeting, the Proxy Statement and a proxy are enclosed. After reading the Proxy Statement, please promptly fill in, sign and return to us the enclosed proxy in the envelope provided. As an alternative, you may submit your proxy electronically by going to the Company's website at www.ovbc.com and following the instructions on that website. We urge you to submit your proxy to insure that your shares are represented.

Last year, more than 80% of the Company's shares were represented in person or by proxy at the Annual Meeting. Please help us exceed last year's participation by signing and returning your proxy or submitting your proxy electronically today.

We hope to see many of you in person at the Annual Meeting. There will be a social hour beginning at 4:00 p.m. Hors D'oeuvres and beverages will be served, and we hope you will take this opportunity to become acquainted with the officers and Directors of your Company.

Sincerely,

/s/Jeffrey E. Smith

Jeffrey E. Smith
Chairman and Chief Executive Officer
Operating Officer

/s/Thomas E. Wiseman

Thomas E. Wiseman

President and Chief

Dated: April 14, 2010

420 Third Avenue
45631

P.O. Box 240
740-446-2631

Gallipolis, Ohio
1-800-468-6682

OHIO VALLEY BANC CORP.
P.O. Box 240
Gallipolis, Ohio 45631
1-800-468-6682

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
Wednesday, May 12, 2010
5:00 p.m.

Gallipolis, Ohio
April 14, 2010

To the Shareholders of
Ohio Valley Banc Corp.

Notice is hereby given that the Annual Meeting of Shareholders (the "Annual Meeting") of Ohio Valley Banc Corp. (the "Company") will be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, the 12th day of May, 2010, at 5:00 p.m., Eastern Daylight Saving Time, for the following purposes:

1. To elect three Directors of the Company, each to serve for a three-year term;
2. To consider and vote upon a proposal to amend Section 6.01 of the Company's Code of Regulations to authorize the Board of Directors to amend the Code of Regulations to the extent permitted by the Ohio General Corporation law;
3. To consider and vote upon ratification of the selection of Crowe Horwath LLP as the independent registered public accounting firm for fiscal year 2010; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment(s) thereof.

Only holders of common shares of the Company of record at the close of business on March 25, 2010 will be entitled to vote at the Annual Meeting and any adjournment.

You are cordially invited to attend the Annual Meeting. The vote of each shareholder is important, whatever the number of common shares held.

Whether or not you plan to attend the Annual Meeting, please sign, date and return the enclosed proxy promptly in the enclosed postage-paid, return-addressed envelope. As an alternative, you may submit a proxy to vote your shares electronically by going to the Company's website at www.ovbc.com and following the instructions on that website. If you attend the Annual Meeting, you may revoke your proxy and vote in person if you are a registered shareholder. Attendance at the Annual Meeting will not, in and of itself, constitute revocation of your proxy.

BY ORDER OF THE BOARD OF DIRECTORS

/s/Jeffrey E. Smith

Jeffrey E. Smith

Chairman and Chief Executive Officer

/s/Thomas E. Wiseman

Thomas E. Wiseman
President and Chief Operating Officer

OHIO VALLEY BANC CORP.
P.O. Box 240
Gallipolis, Ohio 45631
1-800-468-6682

April 14, 2010

PROXY STATEMENT

This proxy statement and the accompanying proxy are first being mailed on or about April 14, 2010 to shareholders of Ohio Valley Banc Corp. (the “Company”) regarding the Annual Meeting of Shareholders to be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, May 12, 2010, at 5:00 p.m., Eastern Daylight Saving Time (the “Annual Meeting”).

Voting by Proxy

A proxy for use at the Annual Meeting accompanies this proxy statement and is solicited by the Board of Directors of the Company. You may ensure your representation by completing, signing, dating and promptly returning the enclosed proxy in the envelope provided. As an alternative, you may submit your proxy electronically by going to the Company’s website at www.ovbc.com and following the instructions on that website. The deadline for transmitting voting instructions electronically via the Internet is 11:59 p.m. Eastern Daylight Saving Time, on May 11, 2010. Shareholders who submit a proxy via the Internet will incur only their usual Internet access charges, if any. Without affecting any vote previously taken, you may revoke your proxy at any time before it is voted at the Annual Meeting (1) by giving written notice of revocation to the Secretary of the Company, at the address of the Company set forth on the cover page of this proxy statement; (2) by executing a later-dated proxy that is received by the Company prior to the Annual Meeting or submitting a later-dated proxy via the Internet prior to the deadline for doing so; or (3) if you are the registered owner of your common shares, by attending the Annual Meeting and giving notice of revocation in person. If your common shares are held in the name of your broker/dealer, financial institution or other holder of record and you wish to revoke your proxy in person, you must bring an account statement or letter from the broker/dealer, financial institution or other holder of record indicating how many common shares you held beneficially on March 25, 2010, the record date for voting. Attendance at the Annual Meeting will not, by itself, constitute revocation of a proxy.

Shares Held in “Street Name”

If you hold your common shares in “street name” with a broker, financial institution or other holder of record, you may be eligible to appoint your proxy electronically via the Internet or telephonically and you may incur costs associated with the electronic access. If you hold your common shares in street name, you should review the information provided to you by the holder of record. This information will describe the procedures to be followed in instructing the holder of record how to vote the street name common shares and how to revoke previously given instructions.

If you hold your common shares in “street name” and wish to vote your shares in person at the Annual Meeting, you must bring a letter or proxy from your broker/dealer, financial institution or other nominee authorizing you to vote your shares on behalf of such record holder.

Who is Entitled to Vote

Only shareholders of record at the close of business on March 25, 2010, are entitled to receive notice of and to vote at the Annual Meeting and any adjournment. As of March 12, 2010, 3,984,009 common shares were outstanding and entitled to be voted at the Annual Meeting. Each common share entitles the holder thereof to one vote on each matter submitted to the shareholders at the Annual Meeting. A quorum for the Annual Meeting is a majority of the outstanding common shares.

Costs of Proxy Solicitation

The Company will bear the costs of preparing, printing and mailing this proxy statement, the accompanying proxy and any other related materials, as well as all other costs incurred in connection with the solicitation of proxies on behalf of the Company's Board of Directors other than the Internet access and telephone usage charges a shareholder may incur if a proxy is appointed electronically. Proxies will be solicited by mail and may be further solicited, for no additional compensation, by officers, directors or employees of the Company and its subsidiaries by further mailing, telephone, facsimile, electronic mail or personal contact. The Company will also pay the standard charges and expenses of brokers, voting trustees, financial institutions and other custodians, nominees and fiduciaries, who are record holders of common shares not beneficially owned by them, for forwarding materials to the beneficial owners of common shares entitled to vote at the Annual Meeting.

Employee Stock Ownership Plan Participants

If you are a participant in the Ohio Valley Banc Corp. Employee Stock Ownership Plan (the “ESOP”) and common shares have been allocated to your account in the ESOP, you will be entitled to instruct the trustee of the ESOP how to vote those common shares and you will receive your voting instructions separately. If you give no instructions to the trustee of the ESOP, the trustee will vote the common shares allocated to your ESOP account in its sole discretion.

Vote Required

The inspectors of election appointed for the Annual Meeting will tabulate the results of shareholder voting. Common shares represented by properly executed proxies returned to the Company prior to the Annual Meeting will be counted toward the establishment of a quorum for the Annual Meeting even though they are marked “WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES”, or “VOTE FOR ALL EXCEPT” or not at all. Brokers who hold common shares in street name may, under the applicable rules of the exchange and other self-regulatory organizations of which the brokers are members, sign and submit proxies for such common shares and may vote such common shares on certain matters. However, brokers who hold common shares in street name may not vote such common shares on other matters without specific instructions from the customer who owns the common shares. Proxies that are signed and submitted by brokers that have not been voted on certain matters are referred to as broker non-votes. Broker non-votes count toward the establishment of a quorum for the Annual Meeting. The three nominees receiving the greatest number of votes will be elected as directors. The affirmative vote of a majority of the outstanding common shares of the Company is required to approve the amendments to the Code of Regulations. Abstentions and broker non-votes will have the effect of votes against the approval of the amendment. The affirmative vote of a majority of the shares participating in the voting is required to ratify the selection of Crowe Horwath LLP as the independent registered public accounting firm. Abstentions and broker non-votes will not be deemed to be participating in the voting and therefore will have no effect on the ratification of the selection of Crowe Horwath LLP.

Directions to Annual Meeting Location

To obtain directions to attend the Annual Meeting and vote in person, please call Deborah A. Carhart, Assistant Vice President, Shareholder Relations, at 1-800-468-6682 or 1-740-446-2631.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 12, 2010

This proxy statement, a sample of the form of proxy card sent to shareholders by the Company, and the Company’s 2009 Annual Report to Shareholders are available on the Company’s website at www.ovbc.com/go/proxyinfo.

The Annual Report of the Company for the fiscal year ended December 31, 2009, including financial statements, is being delivered with this proxy statement.

OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table indicates, as of March 25, 2010, certain information concerning the only shareholder known by the Company to be the beneficial owner of more than five percent (5%) of the outstanding common shares of the Company.

Name and Address	No. of Common Shares and Nature of Beneficial Ownership	Percent of Class (1)
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Morris and Dorothy Haskins Foundation, Inc. 1767 Chestnut Street Bowling Green, KY 42101	265,972 (2)	6.7%
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(footnotes on next page)

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- (1) The percent of class is based upon 3,984,009 common shares outstanding as of March 25, 2010.
- (2) Based on information contained in a Schedule 13G filing with the Securities and Exchange Commission (the "SEC"), dated January 22, 2010. Carol H. Wedge and Paul D. Wedge, Jr. share voting and dispositive power with respect to the 265,972 common shares as the trustees of the Foundation.

The following table furnishes information regarding the beneficial ownership of common shares of the Company, as of March 12, 2010, for each current Director, each nominee for election to the Board of Directors, each executive officer named in the Summary Compensation Table and all current Directors and executive officers as a group.

Name	No. of Common Shares and Nature of Beneficial Ownership (1)	Percent of Class (2)
Anna P. Barnitz	1,793 (3)	.05%
Steven B. Chapman	1,940 (4)	.05%
Robert E. Daniel	483 (5)	.01%
Katrinka V. Hart (6)	11,773 (7)	.30%
Harold A. Howe	16,454 (8)	.41%
E. Richard Mahan (6)	8,499 (9)	.21%
Larry E. Miller, II (6)	9,303 (10)	.23%
Brent A. Saunders	6,399 (11)	.16%
Scott W. Shockey (6)	2,965 (12)	.07%
Jeffrey E. Smith (6)	19,703 (13)	.49%
David W. Thomas	2,434 (14)	.06%
Roger D. Williams	800 (15)	.02%
Lannes C. Williamson	5,293 (16)	.13%
Thomas E. Wiseman (6)	17,213 (17)	.43%
All Directors and executive officers as a Group (14 persons)	105,052 (18)	2.64%

(1) Unless otherwise indicated, the beneficial owner has sole voting and investment power with respect to all of the common shares reflected in the table. All fractional common shares have been rounded down to the nearest whole common share. The Company has never granted options to purchase its common shares. The mailing address for each of the current Directors and executive officers of the Company is P.O. Box 240, Gallipolis, Ohio 45631.

(2) The percent of class is based on 3,984,009 common shares outstanding on March 12, 2010.

- (3) Represents 1,727 common shares held jointly by Mrs. Barnitz and her spouse, as to which she shares voting and investment power, and 66 common shares held by Mrs. Barnitz as custodian for her children.
- (4) Includes 1,830 common shares held jointly by Mr. Chapman and his spouse, as to which he shares voting and investment power. The number shown also includes 110 common shares held by a broker for Mr. Chapman's spouse in a self-directed individual retirement account, as to which she has sole voting and investment power.
- (5) Represents common shares held jointly by Mr. Daniel and his spouse, as to which he shares voting and investment power.

(6) Executive officer of the Company.

(7) Includes 7,685 common shares held for the account of Ms. Hart in the ESOP.

(footnotes continued on next page)

- (8) Includes 9,089 common shares held jointly by Mr. Howe and his spouse, as to which he shares voting and investment power; 6,902 common shares held in a self-directed individual retirement account at Ohio Valley Bank, as to which Ohio Valley Bank has voting power and Mr. Howe has investment power; and 461 common shares held jointly by Mr. Howe and his children as to which he shares voting and investment power.
- (9) Includes 4,442 common shares held jointly by Mr. Mahan and his spouse, as to which he shares voting and investment power; and 4,057 common shares held for the account of Mr. Mahan in the ESOP.
- (10) Includes 3,558 common shares held jointly by Mr. Miller and his spouse, as to which he shares voting and investment power; and 5,745 common shares held for the account of Mr. Miller in the ESOP.
- (11) Includes 2,541 common shares held jointly by Mr. Saunders and his spouse, as to which he shares voting and investment power; 737 common shares held by Mr. Saunders as custodian for the benefit of his children; and 243 common shares held by a broker in a self-directed individual retirement account, as to which the broker has voting power and Mr. Saunders has investment power.
- (12) Includes 2,505 common shares held for the account of Mr. Shockey in the ESOP.
- (13) Includes 550 common shares held by Mr. Smith's spouse, as to which she has sole voting and investment power; 308 common shares held by Mr. Smith's spouse as custodian for the benefit of his daughter as to which Mr. Smith's spouse exercises sole voting and investment power; and 14,860 common shares held for the account of Mr. Smith in the ESOP.
- (14) Represents common shares held jointly by Mr. Thomas and his spouse, as to which he shares voting and investment power.
- (15) Represents common shares held by Mr. Williams' spouse, as to which she has sole voting and investment power.
- (16) Includes 24 common shares held by Mr. Williamson's spouse, as to which she has sole voting and investment power; and 4,706 common shares held by a broker in a self-directed individual retirement account, as to which the broker has voting power and Mr. Williamson has investment power.
- (17) Includes 16,036 common shares held jointly by Mr. Wiseman and his spouse, as to which he shares voting and investment power; and 1,176 common shares held by Mr. Wiseman as custodian for the benefit of his children.
- (18) See Notes (3) through (6) and (8) through (18) above.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company's Directors and executive officers, as well as any persons holding more than 10% of the Company's outstanding common shares, are required to report their initial ownership of common shares and any subsequent changes in their ownership to the Securities and Exchange Commission (the "SEC"). Specific due dates have been established by the SEC for such filings, and the Company is required to disclose in this proxy statement any failure to file by those dates. Based on its review of (1) Section 16(a) reports filed on behalf of these individuals for their transactions during the Company's 2009 fiscal year and (2) documentation received from one or more of these individuals that no annual Form 5 reports were required to be filed by them for the Company's 2009 fiscal year, the Company believes that all Section 16(a) reports were filed timely.

PROXY ITEM 1: ELECTION OF DIRECTORS

The Company's Board of Directors currently consists of ten members – three in the class whose terms expire at the Annual Meeting, three in the class whose terms expire in 2011 and four in the class whose terms expire in 2012. Section 2.02(C) of the Company's Regulations provides that the Directors may change the number of Directors and fill any vacancy created by an increase in the number of Directors (provided that the Directors may not increase the number of Directors to more than twelve or reduce the number of Directors to less than five).

In 1980, the Board of Directors of Ohio Valley Bank adopted a policy that each person becoming a Director of Ohio Valley Bank after that date would be expected to retire at the next annual meeting of shareholders of Ohio Valley Bank following the Director's 70th birthday. Since the Company was formed as the holding company of Ohio Valley Bank in 1992, the Directors of the Company have followed that same practice, although neither the Company nor the Bank has ever provided such a requirement in its articles of incorporation or regulations or included any such provision in the charter of the Nominating and Corporate Governance Committee.

The Board of Directors of the Company has determined that all of the Directors except Messrs. Smith and Wiseman are “independent” under the listing standards of The NASDAQ Stock Market, LLC (“Nasdaq”). In determining independence, the Board of Directors considered loan and deposit relationships with each director, fees paid to Mr. Saunders for legal services, and notes issued to the Wiseman Agency (discussed in this proxy statement under the heading “Certain Relationships and Related Transactions”). The rules of Nasdaq do not deem such relationships to disqualify a Director from being deemed independent. The Board of Directors does not believe such relationships interfere with the Directors’ exercise of independent judgment in carrying out their responsibilities as Directors.

The Board of Directors proposes that each of the three nominees identified below be re-elected for a new three-year term. Each nominee was recommended to the Board of Directors by the Nominating and Corporate Governance Committee. Each person elected as a Director at the Annual Meeting will hold office for a term of three years and until his successor is duly elected and qualified or until his earlier resignation, removal from office or death. The three nominees for election as Directors receiving the greatest number of votes will be elected. Common shares represented by properly executed and returned proxies will be voted FOR the election of the Board of Directors’ nominees unless authority to vote for one or more nominees is withheld. Common shares as to which the authority to vote is withheld will be counted for quorum purposes, but will not be counted toward the election of Directors or toward the election of the individual nominees specified on the proxy.

The following discussion provides certain information, as of March 12, 2010, concerning each nominee for election as a Director of the Company.

Nominees For Election For Terms Expiring In 2013

Steven B. Chapman, Age 63

Director of the Bank since 1999; Director of the Company since 2001

Mr. Chapman is a partner at Chapman & Burris CPA’s LLC. He has been a certified public accountant for over 40 years, performing business advisory services, and preparing taxes in all areas. Additionally, Mr. Chapman has assisted in organizing various nonprofit organizations and has continued to serve as advisor and tax preparer for the same. In addition, he has developed and currently participates in the management of a commercial manufacturing company with 36 employees as well as various real estate, residential and commercial projects employing 7 people. Prior to establishing his CPA firm, Mr. Chapman had over 5 years of “Big 8” experience including industrial, commercial and bank audit expertise. He is a member of the Company’s Executive Committee and Board Enterprise Risk Committee. In addition, Mr. Chapman Chairs the Audit Committee and the Investment and Advisory Committee for the Ohio Valley Banc Corp. Profit Sharing Retirement Plan. Mr. Chapman is also a member of the Executive Committee of Ohio Valley Bank. Mr. Chapman’s substantial financial experience qualifies him as an “audit committee financial expert” for purposes of Item 401(h) of SEC Regulation S-K based on his training and experience as a Certified Public Accountant. He served as Chairman of the Board for the University of Rio Grande for two years and has been a member of that board in excess of 10 years. Mr. Chapman is currently the Chairman of the Audit Committee at the University of Rio Grande. He is the President of Holzer Hospital and Holzer Hospital of Jackson, Ohio with over 1,500 employees.

Robert E. Daniel, Age 69

Director of the Bank since 2005; Director of the Company since 2006

Mr. Daniel served as the Administrator for Holzer Clinic, Inc., a multiple discipline health care system of over 130 Board Certified physicians and 800 support staff at nine locations throughout southeastern Ohio and western West Virginia, from 1971 until 2009. In his role as administrator, Mr. Daniel has a high level of expertise, from a chief executive officer’s perspective, in the areas of finance, legal, mentoring, personnel and wage administration, recruiting and clinical operations. He is very knowledgeable of the issues surrounding management succession and the

importance management succession plays in the success of the Company. Mr. Daniel's experience and business acumen is a source of insightful understanding of the various issues essential to the Company's success. Since 2009, Mr. Daniel has been active as a management coach and project manager. Mr. Daniel serves on the Trust Committee of Ohio Valley Bank.

Jeffrey E. Smith, Age 60

Director of the Bank since 1987; Director of the Company since 1992

Mr. Smith has served as Chairman and Chief Executive Officer (CEO) of the Company since January 2010. Between April 2000 and December 2009 he served as the Company's President and CEO. He has been employed in numerous capacities with the Company since 1973. Mr. Smith is a member of the Executive Committee of the Company. In addition, he is Chairman of the Management Enterprise Risk Committee and is a member of the Executive, Strategic Planning, Asset Liability and Large Loan Review Committees of Ohio Valley Bank. Mr. Smith is a past Chairman of the University of Rio Grande Board of Trustees and has served as a member of the