

PENNS WOODS BANCORP INC
Form DEF 14A
March 20, 2007

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

OMB APPROVAL
OMB Number: 3235-0059
Expires: January 31, 2008
Estimated average burden hours
per response: 14.

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

PENNS WOODS BANCORP, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o 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:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

PENNS
WOODS
BANCORP, INC.

PENNS WOODS BANCORP, INC.

300 Market Street

Williamsport, PA 17701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, APRIL 25, 2007

To Our Shareholders:

Notice is hereby given that the Annual Meeting of shareholders of Common Stock of Penns Woods Bancorp, Inc., (the Corporation) will be held at the Holiday Inn Williamsport, 100 Pine Street, Williamsport, PA 17701, on Wednesday, April 25, 2007 at 1:00 P.M., for the purpose of considering and voting upon the following matters:

1. To elect four (4) Class 1 Directors, to serve for a three-year term that will expire in 2010, and until their successors are elected and qualified;
2. To ratify the appointment by the Corporation s Board of Directors of S.R. Snodgrass, A.C., of Wexford, Pennsylvania, Certified Public Accountants as the independent auditors for the Corporation for the year ending December 31, 2007; and
3. To transact such other business as may properly come before the Annual Meeting, and any adjournment or postponement thereof.

Holders of record at the close of business on March 6, 2007, shall be entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

You are urged to mark, sign, date, and promptly return your Proxy in the enclosed postage-paid envelope so that your shares may be voted in accordance with your wishes and in order that the presence of a quorum may be assured. The prompt return of your Proxy, regardless of the number of shares you hold, will aid the Corporation in reducing the expense of additional Proxy solicitation.

You are cordially invited to attend the Annual Meeting. The giving of such Proxy does not affect your right to vote in person at the Annual Meeting, if you give written notice to the Secretary of the Corporation of your intention to vote at the Annual Meeting.

By Order of the Board of Directors,

/s/ Ronald A. Walko
Ronald A. Walko
President and Chief Executive Officer

Dated: March 20, 2007

PENNS WOODS BANCORP, INC.

300 Market Street

Williamsport, PA 17701

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD WEDNESDAY, APRIL 25, 2007

Introduction, Date, Time, and Place of Annual Meeting

Edgar Filing: PENNS WOODS BANCORP INC - Form DEF 14A

This Proxy Statement is being furnished in connection with the solicitation by the Board of Directors of PENNS WOODS BANCORP, INC. (the Corporation) a Pennsylvania business corporation, of proxies to be voted at the Annual Meeting (the Annual Meeting) of holders of Common Stock (the Common Stock) of the Corporation to be held on Wednesday, April 25, 2007, at 1:00 P.M., at the Holiday Inn Williamsport, 100 Pine Street, Williamsport, PA 17701, and any adjournment or postponement thereof.

The main office of the Corporation is located at 115 South Main Street, Jersey Shore, PA 17740. The telephone number is (570) 398-2213. All inquiries should be directed to Ronald A. Walko, President of the Corporation, (570) 322-1111. Jersey Shore State Bank (the Bank) is a wholly owned subsidiary of the Corporation.

Solicitation and Revocability of Proxies

This Proxy Statement and enclosed form of Proxy (the Proxy) are first being sent to shareholders of the Corporation on or about March 20, 2007. Shares represented by the Proxy, if properly signed and returned, will be voted in accordance with the specifications made thereon by the shareholders. Any Proxy not specifying to the contrary will be voted FOR the Class 1 nominees noted and FOR the ratification of the appointment of S.R. Snodgrass, A.C., Certified Public Accountants, as the independent auditors of the Corporation for the year ending December 31, 2007. The execution and return of the enclosed Proxy will not affect a shareholder's right to attend the Annual Meeting and to vote in person if the shareholder gives written notice to the Secretary of the Corporation. The cost of assembling, printing, mailing, and soliciting Proxies, and any additional material, which the Corporation may furnish shareholders in connection with the Annual Meeting, will be borne by the Corporation. In addition to the solicitation of Proxies by use of the mails, directors, officers, and employees of the Corporation and/or the Bank may solicit Proxies by telephone, telegraph, or personal interview, with nominal expense to the Corporation. The Corporation will also pay the standard charges and expenses of brokerage houses or other nominees or fiduciaries for forwarding Proxy soliciting material to the beneficial owners of shares.

Edgar Filing: PENNS WOODS BANCORP INC - Form DEF 14A

A shareholder who returns a Proxy may revoke the Proxy at any time before it is voted (1) by giving written notice of revocation to Ronald A. Walko, President and Chief Executive Officer, Penns Woods Bancorp, Inc., 300 Market Street, Williamsport, PA 17701, (2) by executing a later-dated Proxy and giving written notice thereof to the President of the Corporation, or (3) by voting in person after giving written notice to the President of the Corporation.

A shareholder who returns a Proxy may revoke the Proxy at any time before it is voted (1) by giving written notice o

Quorum

Edgar Filing: PENNS WOODS BANCORP INC - Form DEF 14A

Pursuant to the Bylaws of the Corporation, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum for transaction of business at the Annual Meeting.

Voting Securities

Edgar Filing: PENNS WOODS BANCORP INC - Form DEF 14A

Holders of record of the Common Stock at the close of business on March 6, 2007 will be entitled to notice of and to vote at the Annual Meeting. On March 6, 2007 there were 3,896,492 shares of Common Stock outstanding. Each share of the Common Stock outstanding as of the close of business on March 6, 2007, is entitled to one vote on each matter that comes before the meeting and holders do not have cumulative voting rights with respect to the election of directors.

Under Pennsylvania law and the Bylaws of the Corporation, the presence of a quorum is required for each matter to be acted upon at the Annual Meeting. Votes withheld, abstentions, and broker non-votes will be counted in determining the presence of a quorum for the particular matter.

Assuming the presence of a quorum, the four nominees for director receiving the highest number of votes cast by shareholders entitled to vote for the election of directors shall be elected. Votes withheld from a nominee and broker non-votes will not constitute or be counted as votes cast for such nominee.

Assuming the presence of a quorum, the affirmative vote of a majority of all votes cast by shareholders at the Annual Meeting is required for the ratification of the independent auditors. Abstentions and broker non-votes will not constitute or be counted as votes cast and therefore will not affect the vote on the ratification of auditors.

All Proxies properly executed and not revoked will be voted as specified.

1

THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Corporation appointed the following committees for 2006:

		Number of Times Met During 2006
AUDIT:	H. Thomas Davis Jr., James M. Furey II, Leroy H. Keiler III, R. Edward Nestlerode Jr., and James E. Plummer	4*
BUILDING:	Lynn S. Bowes, Michael J. Casale Jr., H. Thomas Davis Jr., Jay H. McCormick, and R. Edward Nestlerode Jr.	0

The Bank appointed the following committees for 2006:

AUDIT:	H. Thomas Davis Jr., James M. Furey II, Leroy H. Keiler III, R. Edward Nestlerode Jr., and James E. Plummer	4
BUILDING & INSURANCE:	Michael J. Casale Jr., H. Thomas Davis Jr., James M. Furey II, Hubert A. Valencik, and Jay H. McCormick	1
EXECUTIVE:	Lynn S. Bowes, Michael J. Casale Jr., H. Thomas Davis Jr., Jay H. McCormick, and R. Edward Nestlerode Jr.	1
COMPENSATION & BENEFITS:	Lynn S. Bowes, Michael J. Casale Jr., Jay H. McCormick, R. Edward Nestlerode Jr., and James E. Plummer	1
ASSET LIABILITY:	Lynn S. Bowes, James M. Furey II, Leroy H. Keiler III, James E. Plummer, Hubert A. Valencik, Ronald A. Walko, William H. Rockey, Thomas A. Donofrio, Brian L. Knepp, Ann M. Riles, and Janine E. Packer. Mr. Donofrio, Mr. Knepp, Mrs. Riles, and Mrs. Packer are employees of the Bank	4

The Audit Committee is composed of five (5) independent directors of the Bank who are directors of the Corporation. The Audit Committee operates under a written charter, a copy of which is available on our website, www.jssb.com, under Investor Relations/ Financial Information/ Governance Documents and is available upon written request to the President.

The Board of Directors of the Corporation met ten (10) times during 2006. The Board of Directors of the Bank met twenty-five (25) times during 2006. All of the Directors attended at least 75% of the aggregate of all meetings of the Board of Directors and the Committees of which they were members.

In the view of the Board of Directors, all directors who are independent within the meaning of the NASDAQ listing standards should participate in the selection of director nominees. Accordingly, all directors, except for Directors Walko, Rockey, and Valencik, participate in the selection of director nominees. Directors who participate in the selection of director nominees operate under a written charter, a copy of which is available on our website, www.jssb.com, under Investor Relations/ Financial Information/ Governance Documents and is available upon request to the President. Independent directors considering the selection of director nominees will consider candidates recommended by shareholders. Shareholders desiring to submit a candidate for consideration as a nominee of the Board of Directors must submit the same information with regard to the candidate as that required to be included in the Corporation's proxy statement with respect to nominees of the Board of Directors in addition to any information required by the Bylaws of the Corporation. Shareholder recommendations should be submitted in writing to Penns Woods Bancorp, Inc., 300 Market Street, Williamsport, PA 17701 (Attention: President and Chief Executive Officer), on or before December 31 of the year preceding the year in which the shareholder desires the candidate to be considered as a nominee. Although the Board of Directors at this time does not utilize specific written qualifications, candidates must have a general understanding of the financial services industry or otherwise be able to provide some form of benefit to the Corporation's business, possess the skills and capacity necessary to provide strategic direction to the Corporation, be willing to represent the interests of all shareholders, be able to work in a collegial board environment, and be available to devote the necessary time to the business of the Corporation. In addition to these requirements, candidates will be considered on the

Edgar Filing: PENNS WOODS BANCORP INC - Form DEF 14A

basis of diversity of experience, skills, qualifications, occupations, education, and backgrounds, and whether the candidate's skills and experience are complementary to the skills and experience of other Board members. Candidates recommended by shareholders will be evaluated on the same basis as candidates recommended by the independent directors.

Nominations for director to be made at the Annual Meeting by shareholders entitled to vote for the election of directors must be submitted to the Secretary of the Corporation not less than ninety (90) days or more than one hundred fifty (150) days prior to the Annual Meeting, which notice must contain certain information specified in the Bylaws. No notice of nomination for election as a director has been received from any shareholder as of the date of this Proxy Statement. If a nomination is attempted at the Annual Meeting that does not comply with

2

the procedures required by the Bylaws or if any votes are cast at the Annual Meeting for any candidate not duly nominated, then such nomination and/or such votes may be disregarded.

COMPENSATION OF DIRECTORS

Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(1)	All Other Compensation (\$)	Total (\$)
Lynn S. Bowes	\$ 28,400	\$	\$	\$	\$ 305	\$	\$ 28,705
Michael J. Casale, Jr.	\$ 26,400	\$	\$	\$	\$ 379	\$	\$ 26,779
H. Thomas Davis, Jr.	\$ 26,800	\$	\$	\$	\$	\$	\$ 26,800