

UNITED BANCSHARES INC/OH
Form DEF 14A
March 24, 2003

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities and 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

United Bancshares, Inc.

(Name of Registrant as Specified in Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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1) Title of each class of securities to which transaction applies:

N/A

2) Aggregate number of securities to which transaction applies:

N/A

3) Per unit price of 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):

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N/A

5) Total fee paid:

N/A

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1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

N/A

3) Filing Party:

N/A

4) Date Filed:

N/A

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UNITED BANCSHARES, INC.

100 South High Street

Columbus Grove, Ohio 45830

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 23, 2003

TO THE SHAREHOLDERS OF UNITED BANCSHARES, INC.:

You are cordially invited to attend the Annual Meeting of the Shareholders of United Bancshares, Inc. to be held on April 23, 2003 at 7:30 p.m. at The Union Bank Company, 100 South High Street, Columbus Grove, Ohio, for the purpose of considering and acting on the following:

1.
Setting the number of members of the Board of Directors of United Bancshares, Inc. at nine members;
2.
Electing directors to serve until the 2004 Annual Meeting;
3.
Adopting the 2003 Employee Stock Purchase Plan;
4.
Adopting the 2003 Employee Stock Ownership Plan; and
- 5.

Transacting such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 5, 2003 will be entitled to vote at the meeting.

March 24, 2003

By Order of the Board of Directors

/s/ Bonita R. Selhorst

Bonita R. Selhorst

Secretary

IMPORTANT

A proxy statement and proxy are submitted herewith. As a shareholder, you are urged to complete and mail the proxy promptly whether or not you plan to attend this annual meeting in person. The proxy is revocable at any time prior to the exercise thereof by written notice to the Company, and shareholders who attend the annual meeting may withdraw their proxies and vote their shares personally if they so desire.

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PROXY STATEMENT

UNITED BANCSHARES, INC.

100 South High Street

Columbus Grove, Ohio 45830

ANNUAL MEETING OF SHAREHOLDERS

April 23, 2003

INTRODUCTION

The enclosed proxy is solicited by the Board of Directors of United Bancshares, Inc. (also referred to in this Proxy Statement as "United Bancshares" or the "Company"), in connection with the Annual Meeting of Shareholders to be held at 7:30 p.m. on April 23, 2003 at the The Union Bank Company, 100 South High Street, Columbus Grove, Ohio (the Annual Meeting), or at any adjournments thereof.

The Annual Meeting has been called for the following purposes: (i) to fix the number of members of the Board of Directors at nine members; (ii) to elect the entire Board of Directors, each to serve for a one-year term; (iii) to adopt the 2003 Employee Stock Purchase Plan; (iv) to adopt the 2003 Employee Stock Ownership Plan; and (v) to transact any other business that may properly come before the Annual Meeting or any adjournments thereof.

This Proxy Statement and the accompanying Notice of Annual Meeting are being mailed to Shareholders on or about March 24, 2003.

REVOCAION OF PROXIES AND DISCRETIONARY

AUTHORITY

Shares of United Bancshares common stock can be voted at the Annual Meeting only if the shareholder is represented by proxy or is present in person. Shareholders who execute proxies retain the right to revoke them at any time.

Unless revoked, the shares represented by such proxies will be voted at the Annual Meeting and all adjournments thereof. Proxies may be revoked by (i) written notice to the Secretary of United Bancshares (addressed to: United Bancshares, Inc., 100 South High Street, Columbus Grove, Ohio 45830, Attention: Secretary) prior to the time the proxy is voted; or (ii) by the filing of a later dated proxy prior to a vote being taken on a particular proposal at the Annual Meeting; or (iii) in open meeting at any time before the proxy is voted.

Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein. Where no instructions are indicated, properly executed proxies will be voted **FOR** fixing the number of members of the Board of Directors at nine members; **FOR** the nominees for director set forth in this Proxy Statement; **FOR** the approval of the 2003 Employee Stock Purchase Plan; and **FOR** the approval of the 2003 Employee Stock Ownership Plan. The proxy confers discretionary authority on the proxy holder to vote with respect to (i) the election of any person as a director where the nominee is unavailable or unable to serve, (ii) matters incident to the conduct of the Annual Meeting; (iii) an adjournment of the meeting; and (iv) any other business that may properly come before the Annual Meeting or any adjournments thereof.

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PERSON MAKING THE SOLICITATION

The enclosed proxy is being solicited by United Bancshares and the cost of soliciting proxies will be borne by United Bancshares. In addition to use of the mails, proxies may be solicited personally or by telephone, electronic mail or facsimile by directors, officers and employees of United Bancshares who will receive no compensation in addition to their regular compensation.

VOTING SECURITIES

<R>Each of the shares of United Bancshares common stock outstanding on March 5, 2003, the record date of the Annual Meeting, is entitled to one vote on all matters coming before the meeting. As of January 31, 2003, United Bancshares had 3,630,213 shares of Common Stock issued and outstanding. Only shareholders of record on the books of the Company on March 5, 2003, will be entitled to vote at the meeting either in person or by proxy. Pursuant to the Regulations of the Company, the shareholders present in person or by proxy at the Annual Meeting shall constitute a quorum.</R>

If you are the beneficial owner of shares held in street name by a broker, bank or other nominee, your nominee is required to vote those shares in accordance with your instructions. If the nominee does not receive instructions from the beneficial owner, the nominee will be entitled to vote the shares on certain routine items. The nominee is not entitled to vote the shares (absent instructions from the beneficial owner) with respect to non-routine matters. When the nominee does not receive instructions from a beneficial owner concerning a non-routine matter, over which the nominee has no voting discretion, a "broker non-vote" occurs. Shares treated as broker non-votes are included for purposes of determining whether a quorum exists, however, such shares will not be counted as being in favor of or against any proposal placed before the shareholders at the Annual Meeting.

The following table sets forth, as of January 31, 2003, the ownership of common stock by management of United Bancshares, including (i) the common stock beneficially owned by each director, nominee for director and executive officer of United Bancshares and (ii) the common stock beneficially owned by all officers, directors and nominees for

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director as a group. The number of shares listed for each person includes shares held in the name of spouses, minor children, certain relatives, trusts or estates whose share ownership under the beneficial ownership rules of the Securities and Exchange Commission is to be aggregated with that of the director or officer whose share ownership is shown.

Name	Position	Number of Shares of	Percent of
		Common Stock Beneficially Owned (2)	Common Stock Outstanding ⁽¹⁾
Robert L. Dillhoff	Director	30,640	0.84%
Joe S. Edwards, Jr.	Director	185,101 (3)	5.10%
Thomas J. Erhart	Director	48,254 (4)	1.33%
P. Douglas Harter	Director	38,216 (5)	1.05%
E. Eugene Lehman	Director, President	70,371 (6)	1.93%
Carl L. McCrate	Director	20,644 (7)	0.57%
John P. Miller	Director	2,260	0.06%
<PAGE>2		(8)	
William R. Perry	Director	29,566 (9)	0.81%
James N. Reynolds	Director, Chairman	60,760 (10)	1.67%
H. Edward Rigel	Director	30,325 (11)	0.84%
David P. Roach	Director	17,463	0.48%

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			(12)
Robert M. Schulte	Director	12,353	0.34%
			(13)
Bonita R. Selhorst	Vice President, Secretary	16,984	0.45%
			(14)
Brian Young	Chief Financial Officer, Treasurer	0	--%
			(15)
Robert L. Benroth	Nominee for Director	6,000	.17%
All directors, nominees and officers as a group		568,937	15.67%

(15 persons)

(1)

Reflects percentage ownership based on all issued and outstanding shares and the outstanding options of the respective individuals.

(2)

Includes (a) 5,686 shares owned by Mr. Dillhoff jointly with his spouse; (b) includes 4,068 shares owned by Mr. Dillhoff through his IRA; and (c) options to purchase 13,720 shares of common stock.

(3)

Includes (a) 6,721 shares owned by Mr. Erhart's spouse and (b) 13,575 held in a trust of which Mr. Erhart is a beneficiary.

(4)

Includes (a) 48 shares owned by Mr. Harter as custodian for his children; (b) 5,818 shares owned by Mr. Harter through his IRA; (c) 4,367 shares owned by Mr. Harter's spouse either directly or through her IRA; and (d) options to purchase 13,720 shares of common stock.

(5)

Includes (a) 132 shares owned by Mr. Lehman's spouse; (b) 16,864 shares owned by Mr. Lehman through IRAs; (c) 23,889 shares allocated to Mr. Lehman under the Company's Employee Stock Ownership Plan; and (d) 12,287 shares subject to option by Mr. Lehman.

(6)

Includes 9,771 shares owned by Mr. McCrate's spouse.

(7)

Includes 773 shares allocated to Mr. Miller under the Company's Employee Stock Ownership Plan.

(8)

Includes 1,302 shares owned by Mr. Perry as custodian for his minor child.

(9)

Includes (a) 56,420 shares owned in trust by Mr. Reynolds; and (b) 4,340 shares owned in trust by Mr. Reynolds spouse.

(10)

Includes 15,135 shares held in a trust of which Mr. Rigel is a co-trustee.

(11)

Includes options to purchase 12,006 shares of common stock.

(12)

Includes (a) 678 shares owned by Mr. Schulte's spouse and (b) options to purchase 10,997 shares of common stock.

(13)

Includes (a) 8,270 shares allocated to Ms. Selhorst under the Company's Employee Stock Ownership Plan and (b) 4,946 shares subject to option by Ms. Selhorst.

(14)

122 shares in the Company's 401(k) Plan have been allocated to Mr. Young. However, Mr. Young has no voting authority or investment discretion with respect to these 122 shares.

(15)

Includes 5,000 shares held jointly with his brother.

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PROPOSAL TO FIX THE NUMBER OF MEMBERS

OF THE BOARD OF DIRECTORS AT NINE MEMBERS

United Bancshares' Regulations provide that the Company's business shall be managed by a Board of Directors of not less than five and not more than 25 persons. The Board of Directors currently consists of 12 directors. The Board of Directors believes it is in the best interest of the Company to fix the number of directors on the parent holding company Board of Directors at nine directors.

<R>

United Bancshares has determined that it is in the Company's best interest and in the best interest of The Union Bank Company, The Bank of Leipsic Company and Citizens Bank of Delphos to merge the three wholly-owned depository institutions into one bank, operating under one charter. The boards of directors of each of the banks considered and approved this consolidation in November and December, 2002. The merger of The Bank of Leipsic Company and Citizens Bank of Delphos with and into The Union Bank Company, with The Union Bank Company being the surviving bank, was completed on March 7, 2003. The consolidation of the depository institutions is expected to reduce operating and regulatory costs of the institutions, improve operating efficiencies and enhance customer service. The banking business of each of the constituent banks will continue without significant change. The former Bank of Leipsic offices will operate under the name "Leipsic Office of The Union Bank," while the former Citizens Bank of Delphos offices will operate under the name "Citizens of Delphos office of The Union Bank." </R>

The board of directors of The Union Bank Company, after the merger with The Bank of Leipsic Company and Citizens Bank of Delphos, will consist of 15 members. This 15 member board of directors will be responsible for managing The Union Bank Company.

As a result of the reorganization of the subsidiary depository institutions, the United Bancshares Board of Directors has determined that it is no longer necessary to have a 12 member Board of Directors at the holding company level. A reduction in the United Bancshares Board of Director membership will also reduce the amount of director fees paid by United Bancshares.

The proposal to be placed before the shareholders at the Annual Meeting is:

Resolved, that the number of directors of the Company be fixed at nine.

The Board of Directors recommends that you vote **FOR** the proposal to fix the number of directors at nine. The affirmative vote of the holders of a majority of common stock present in person or by proxy at the Annual Meeting is necessary to approve the proposal to fix the number of directors on the Company's Board of Directors at nine directors. Abstentions and broker non-votes will have the same effect as a vote against the proposal.

ELECTION OF DIRECTORS

The Board of Directors currently consists of 12 directors, but has been proposed to be reduced to nine directors. The Board of Directors has nominated the persons indicated in the following table to serve until the 2004 Annual Meeting of Shareholders and until their respective successors are elected and qualified. Eight of the nominees are incumbent directors whose present term will expire at the Annual Meeting. One director nominee will be new to the Board of Directors. Mr. Benroth was nominated based upon his years of service as a director on The Union Bank Company Board of Directors, business background and standing in the community.

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Nominees for Directors

Name	Age	Principal Occupation ⁽¹⁾	Positions Held	
			with United Bancshares	Director of United Bancshares Since ⁽²⁾
Robert L. Dillhoff	56	District Highway Management Administrator, Department of Transportation	Director	2001
Joe S. Edwards, Jr.	60	Businessman/Investor	Director	2000
P. Douglas Harter	56	Associate, Harter and Son Funeral Home	Director	2001
E. Eugene Lehman	61	President of United Bancshares, Chairman of The Union Bank Company and Chairman of	Director and President	1989

BancServices United, Inc.

James N. Reynolds	65	Retired banker; Chairman of United Bancshares ⁽³⁾	Director and Chairman	2000
H. Edward Rigel	60	Farmer, Rigel Farms, Inc.	Director	2000
David P. Roach	52	President, Vogel Roach Corp. (radio broadcasting company)	Director	2001
Robert M. Schulte	70	President, Spherion of Lima, Inc. (temporary staffing firm); President, RKPL Inc. (payroll services); Owner, RM Schulte & Associates (staffing firm)	Director	2002
Robert L. Benroth	40	Putnam County Treasurer	NA	NA

(1)

Except as indicated, each nominee has held the occupation identified for at least five years preceding the date of this Proxy Statement.

(2)

In addition to serving as directors of United Bancshares, the following persons served as directors of the following subsidiaries or former subsidiaries of United Bancshares:

Director	Subsidiary	Director Since
Robert L. Dillhoff	Citizens Bank of Delphos	1991
Joe S. Edwards, Jr.	The Bank of Leipsic Company	1978
P. Douglas Harter	Citizens Bank of Delphos	1969
E. Eugene Lehman	The Union Bank Company	1989
	BancServices United, Inc.	2001

James N. Reynolds	The Bank of Leipsic Company	1966
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H. Edward Rigel	The Bank of Leipsic Company	1980
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David P. Roach	Citizens Bank of Delphos	1997
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Robert M. Schulte	The Union Bank Company	1994
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Robert L. Benroth	The Union Bank Company	2001
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(3)

President of The Bank of Leipsic Company from January 1978 to January 1997.

The nine nominees for director of United Bancshares receiving the most votes will be elected as directors. The Board of Directors recommends that shareholders vote **FOR** the election of the nominees. Shares as to which authority to vote is withheld, abstentions and broker non-votes that are present in person or by proxy will not be counted and will have no effect on the outcome of the election.

It is intended that common stock represented by the accompanying form of proxy will be voted **FOR** the election of the nominees, unless contrary instructions are indicated as provided on the proxy card. (If you do not wish your shares to be voted for particular nominees, please so indicate on the proxy card). If one or more of the nominees should at the time of the Annual Meeting be unavailable or unable to serve as a director, the shares represented by the proxies will be voted to elect the remaining nominees and any substitute nominee or nominees designated by the Board of Directors. The Board of Directors knows of no reason why any of the nominees will be unavailable or unable to serve. At this time it is not known whether there will be cumulative voting for the election