

Section 1: 8-K (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**

July 1, 2020
Date of Report (Date of earliest event reported)

Citizens & Northern Corporation
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

0-16084
(Commission
File Number)

23-2451943
(IRS Employer
Ident. No.)

90-92 Main Street, Wellsboro, Pennsylvania
(Address of principal executive offices)

16901
(Zip Code)

(570) 724-3411
Registrant's telephone number, including area code

N/A
(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	CZNC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 July 1, 2020, Citizens & Northern Corporation, a Pennsylvania corporation (“C&N”) issued a press release announcing the completion of the Covenant Transactions (as defined below). A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 8.01 by reference.

On July 1, 2020, C&N completed its previously announced acquisition of Covenant Financial, Inc., a Pennsylvania corporation (“Covenant”), pursuant to that certain Agreement and Plan of Merger, dated December 18, 2019 (the “Merger Agreement”), by and between C&N and Covenant. As of December 31, 2019, Covenant had approximately \$516.0 million in assets, \$393.4 million in deposits and \$42.1 million of shareholders’ equity. In accordance with the terms of the Merger Agreement, effective as of July 1, 2020, (a) Covenant merged with and into C&N (the “Merger”), with C&N as the surviving corporation in the Merger and (b) immediately following the completion of the Merger, Covenant Bank, a Pennsylvania chartered financial institution and a wholly-owned subsidiary of Covenant, merged with and into Citizens & Northern Bank, a Pennsylvania chartered financial institution and a wholly-owned subsidiary of C&N (“C&N Bank”), with C&N Bank as the surviving bank (the “Bank Merger” and, together with the Merger, the “Covenant Transactions”). At the effective time of the Merger, the former Covenant shareholders became entitled to receive either (i) \$16.50 in cash without interest or (ii) 0.6212 shares of C&N common stock, together with cash in lieu of fractional shares of C&N common stock, for each outstanding share of Covenant common stock.

The foregoing description of the Merger Agreement and the Covenant Transactions does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which was attached as Exhibit 2.1 to C&N’s Current Report on Form 8-K filed on December 18, 2019 and is incorporated into this Item 2.01 by reference.

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

As contemplated by the terms of the Merger Agreement, the Board of Directors (the “C&N Board”) of C&N, effective July 1, 2020, (a) expanded the size of the C&N Board by two members, and (b) appointed (i) Stephen M. Dorwart to fill the vacancy created in Class III of the C&N Board, and (ii) Robert G. Loughery to fill the vacancy created in Class I of the C&N Board. In addition, as contemplated by the terms of the Merger Agreement, the Board of Directors (the “Bank Board”) of C&N Bank, effective July 1, 2020, (x) approved the expansion of the size of the Bank Board by two members, and (y) appointed each of Messrs. Dorwart and Loughery to the Bank Board. Additionally, effective July 1, 2020, (A) Mr. Dorwart was appointed to the Audit Committee of the C&N Board and the Trust Investment Committee of the Bank Board, and (B) Mr. Loughery was appointed to the Information Technology Committee and the Finance and Loan Committee of the Bank Board.

In connection with their appointments as directors, Messrs. Dorwart and Loughery will be entitled to the compensation paid to non-employee directors. A description of such compensation can be found under the heading “Director Compensation” in the Proxy Statement filed by C&N on Schedule 14A with the Securities and Exchange Commission on March 6, 2020, and additional information regarding each of Messrs. Dorwart and Loughery can be found under the heading “Information about Covenant Designees to C&N Board of Directors” in the Proxy Statement/Prospectus filed by C&N pursuant to SEC Rule 424(b)(4) with the Securities and Exchange Commission on May 1, 2020.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The financial statements required by this item will be filed by amendment to this Current Report on Form 8-K as soon as practicable, but no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(b) Pro forma financial information.

The pro forma financial information required by this item will be filed by amendment to this Current Report on Form 8-K as soon as practicable, but no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(c) Exhibits

[2.1 Agreement and Plan of Merger, dated December 18, 2019, by and between Covenant Financial, Inc. and Citizens & Northern Corporation](#)

[99.1 Press Release, dated July 1, 2020, of Citizens & Northern Corporation.](#)

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.

CITIZENS & NORTHERN CORPORATION

Dated: July 1, 2020

By: /s/ Mark A. Hughes
Mark A. Hughes
Treasurer and Chief Financial Officer

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Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1



Citizens & Northern Corporation and Covenant Financial, Inc. Announce Completion of Acquisition

**July 1, 2020
For Immediate Release**

WELLSBORO, Pa. and DOYLESTOWN, Pa. -- Citizens & Northern Corporation ("C&N") (NASDAQ: CZNC), headquartered in Wellsboro, Pennsylvania, and Covenant Financial, Inc. ("Covenant"), headquartered in Doylestown, Pennsylvania, announced the completion of their merger as of July 1, 2020. The parties previously announced the execution of an agreement and plan of merger on December 18, 2019. Under the agreement, Covenant merged with and into C&N and Covenant's bank subsidiary, Covenant Bank, merged into C&N's bank subsidiary, Citizens & Northern Bank.

Citizens & Northern Bank now operates 29 banking offices located in Bradford, Bucks, Cameron, Chester, Lycoming, McKean, Potter, Sullivan and Tioga Counties in Pennsylvania and Steuben County in New York as well as loan production offices in Elmira, New York, and Warminster and York, Pennsylvania. With the addition of Covenant, C&N is projected to have assets of approximately \$2.3 billion.

C&N's President and CEO, Brad Scovill, said, "We are pleased to start the second half of 2020 by welcoming the shareholders, customers and employees of Covenant Bank to our C&N family. Covenant's deep roots in Bucks and Chester Counties and its relationship-based, community focused culture aligns well with C&N's mission and values. Combining Covenant with our recent acquisition of Monument Bank last year strengthens our position to create value for customers and communities in the attractive and growing southeastern Pennsylvania markets."

Upon completion of the acquisition of Covenant, the former Covenant shareholders became entitled to receive either (i) \$16.50 in cash without interest or (ii) 0.6212 shares of C&N common stock, together with cash in lieu of fractional shares of C&N common stock, for each outstanding share of Covenant common stock. Based on the \$20.65 per share closing price of C&N common stock on June 30, 2020, the total transaction value for the Covenant transaction was approximately \$63.9 million (including options). Effective as of the completion of the Covenant transaction, Covenant directors Stephen M. Dorwart and Robert G. Loughery were appointed to the boards of directors of C&N and Citizens & Northern Bank.

Blair Rush, Covenant's President/Chief Operating Officer, and Kelley Cwiklinski, Covenant's Chief Lending Officer, will join the C&N southeast regional leadership team as Executive Vice President/Region President and Senior Vice President/Regional Commercial Lending Executive, respectively.

About C&N

Citizens & Northern Corporation is the bank holding company for Citizens & Northern Bank, headquartered in Wellsboro, Pennsylvania which operates 29 banking offices located in Bradford, Bucks, Cameron, Chester, Lycoming, McKean, Potter, Sullivan and Tioga Counties in Pennsylvania and Steuben County in New York, as well as loan production offices in Elmira, New York and Warminster and York, Pennsylvania. Citizens & Northern Corporation trades on NASDAQ under the symbol "CZNC." For more information about Citizens & Northern Bank and Citizens & Northern Corporation, visit www.cnbankpa.com.

Forward Looking Statements

This press release contains “forward-looking statements” within the meaning of the federal securities laws, including 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 may include: management plans relating to the acquisition of Covenant Financial, Inc. (the “Covenant Transaction”); any statements of the plans and objectives of management for future operations, products or services, including the execution of integration plans relating to the Covenant Transaction; any statements of expectation or belief; projections related to certain financial metrics; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “seek,” “plan,” “will,” “would,” “target,” “outlook,” “estimate,” “forecast,” “project” and other similar words and expressions or negatives of these words. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and are beyond our control. Forward-looking statements speak only as of the date they are made, even if subsequently made available by C&N on its website or otherwise. C&N does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this press release. Because forward-looking statements are by their nature, to different degrees, uncertain and subject to assumptions, actual results or future events could differ, possibly materially, from those that C&N anticipated in its forward-looking statements, and future results could differ materially from historical performance. Factors that could cause or contribute to such differences include, but are not limited to, those included under Item 1A “Risk Factors” in C&N’s Annual Report on Form 10-K and those disclosed in C&N’s other periodic reports filed with the SEC, as well as the possibility that expected benefits of the Covenant Transaction may not materialize in the timeframe expected or at all, or may be more costly to achieve; that C&N’s and Covenant’s respective businesses may not perform as expected due to transaction-related uncertainty or other factors; that C&N is unable to successfully implement integration strategies related to the Covenant Transaction; reputational risks and the reaction of the companies’ shareholders, customers, employees and other constituents to the Covenant Transaction, diversion of management time as a result of matters related to Covenant Transaction, and the impact of COVID-19. The list of factors presented here, and the list of factors that are presented in the registration statements on Form S-4 for each of the Covenant Transaction, is not, and should not be considered, a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. For any forward-looking statements made in this press release or in any documents, C&N claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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