

GLOBUS MEDICAL INC
Form SC 13G/A
February 13, 2014

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

SCHEDULE 13G/A
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Globus Medical, Inc.

(Name of Issuer)

Class A Common Stock

(Title of Class of Securities)

379577208

(CUSIP Number)

December 31, 2013

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing of this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

1. Name of reporting person

I.R.S. identification no. of above person (entities only)

David C. Paul

2. Check the appropriate box if a member of a group

(a) " (b) "

Not Applicable

3. SEC use only

4. Citizenship or place of organization

United States

5. Sole voting power

Number of

shares 5,407,976⁽¹⁾⁽²⁾
6. Shared voting power

beneficially

owned by 20,045,319⁽²⁾⁽³⁾
each 7. Sole dispositive power

reporting

person 5,407,976⁽¹⁾⁽²⁾
8. Shared dispositive power

with

20,045,319⁽²⁾⁽³⁾

9. Aggregate amount beneficially owned by each reporting person

25,453,295⁽²⁾⁽³⁾

10. Check box if the aggregate amount in Row (9) excludes certain shares

Not Applicable

11. Percent of class represented by amount in Row (9)

27.8%⁽⁴⁾⁽⁵⁾

12. Type of reporting person

IN

- (1) Consists of (a) 4,898,964 shares of Class B common stock held directly by the reporting person, (b) 435,350 shares of Class B common stock held by the Sonali Paul Trust U/A/D 12/20/12, and (c) 73,662 shares of Class A common stock subject to options held by the reporting person that are exercisable within 60 days of December 31, 2013.
- (2) The holders of Class B common stock are entitled to 10 votes per share of Class B common stock. Each share of Class B common stock is convertible into the Issuer's Class A common stock on a 1-for-1 basis (a) at any time at the option of the holder of such share, (b) upon the transfer of such share (subject to certain exceptions for transfers not involving a sale, such as transfers not constituting a change in beneficial ownership, estate planning transfers and gifts), and (c) if the Class B common stock held by the holder of such share plus that holder's affiliates represents less than 5% of the Issuer's outstanding common stock.
- (3) Does not include 1,562,573 shares of Class B common stock held by the Paul Family Irrevocable Trust U/A 4/6/10. The shares are held in trust for the benefit of the reporting person's spouse and children. The reporting person's spouse is trustee of the trust.
- (4) Based on 66,065,197 shares of Class A common stock outstanding as of December 31, 2013, as reported by the Issuer to the reporting person, plus the number of shares of Class B common stock reported on line 9 that are treated as converted into Class A common stock for the purpose of computing the percentage ownership of the reporting person.
- (5) Assumes conversion of all of the reporting person's Class B common stock into shares of Class A common stock.

1. Name of reporting person

I.R.S. identification no. of above person (entities only)

Sonali Paul

2. Check the appropriate box if a member of a group

(a) " (b) "

Not Applicable

3. SEC use only

4. Citizenship or place of organization

United States

5. Sole voting power

Number of

shares 1,562,573⁽⁶⁾
6. Shared voting power

beneficially

owned by 20,045,319⁽⁷⁾⁽⁸⁾
each 7. Sole dispositive power

reporting

person 1,562,573⁽⁶⁾
8. Shared dispositive power

with

20,045,319⁽⁷⁾⁽⁸⁾

9. Aggregate amount beneficially owned by each reporting person

21,607,892⁽⁷⁾⁽⁸⁾

10. Check box if the aggregate amount in Row (9) excludes certain shares

Not Applicable

11. Percent of class represented by amount in Row (9)

24.6%⁽⁹⁾⁽¹⁰⁾

12. Type of reporting person

IN

- (6) Consists of 1,562,573 shares of Class B common stock held by the Paul Family Irrevocable Trust U/A 4/6/10.
- (7) The holders of Class B common stock are entitled to 10 votes per share of Class B common stock. Each share of Class B common stock is convertible into the Issuer's Class A common stock on a 1-for-1 basis (a) at any time at the option of the holder of such share, (b) upon the transfer of such share (subject to certain exceptions for transfers not involving a sale, such as transfers not constituting a change in beneficial ownership, estate planning transfers and gifts), and (c) if the Class B common stock held by the holder of such share plus that holder's affiliates represents less than 5% of the Issuer's outstanding common stock.
- (8) Does not include (a) 4,898,964 shares of Class B common stock held directly by the reporting person's spouse, (b) 435,350 shares of Class B common stock held by the Sonali Paul Trust U/A/D 12/20/12, and (c) 73,662 shares of Class A common stock subject to options held by the reporting person's spouse that are exercisable within 60 days of December 31, 2013.
- (9) Based on 66,065,197 shares of Class A common stock outstanding as of December 31, 2013, as reported by the Issuer to the reporting person, plus the number of shares of Class B common stock reported on line 9 that are treated as converted into Class A common stock for the purpose of computing the percentage ownership of the reporting person.
- (10) Assumes conversion of all of the reporting person's Class B common stock into shares of Class A common stock.

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Item 1(a) Name of Issuer

Globus Medical, Inc.

Item 1(b) Address of Issuer's Principal Executive Offices

2560 General Armistead Avenue

Audubon, PA 19403

Item 2(a) Name of Person Filing

This Schedule 13G is being filed by David C. Paul and Sonali Paul (together, the **Reporting Persons**).

Item 2(b) Address of Principal Business Office, or if none, Residence

2560 General Armistead Avenue

Audubon, PA 19403

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Item 2(c) Citizenship

The Reporting Persons are citizens of the United States of America.

Item 2(d) Title of Class of Securities

Class A Common Stock

Item 2(e) CUSIP Number

379577208

Item 3. Filing pursuant to Rules 13d-1(b) or 13d-2(b) or (c)

Not Applicable

Item 4. Ownership

Ownership information is provided as of December 31, 2013:

(a) Amount beneficially owned:

(i) David C. Paul	25,453,295 ⁽¹¹⁾⁽¹²⁾⁽¹³⁾
(ii) Sonali Paul	21,607,892 ⁽¹²⁾⁽¹⁴⁾⁽¹⁵⁾

(b) Percent of class:

(i) David C. Paul	27.8% ⁽¹⁶⁾⁽¹⁷⁾
(ii) Sonali Paul	24.6% ⁽¹⁶⁾⁽¹⁷⁾

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

(A) David C. Paul	5,407,976 ⁽¹¹⁾⁽¹²⁾
(B) Sonali Paul	1,562,573 ⁽¹²⁾⁽¹⁴⁾

(ii) Shared power to vote or to direct the vote

(A) David C. Paul	20,045,319 ⁽¹²⁾⁽¹³⁾
(B) Sonali Paul	20,045,319 ⁽¹²⁾⁽¹⁵⁾

(iii) Sole power to dispose or to direct the disposition of

(A) David C. Paul	5,407,976 ⁽¹¹⁾⁽¹²⁾
(B) Sonali Paul	1,562,573 ⁽¹²⁾⁽¹⁴⁾

(iv) Shared power to dispose or to direct the disposition of

(A) David C. Paul	20,045,319 ⁽¹²⁾⁽¹³⁾
(B) Sonali Paul	20,045,319 ⁽¹²⁾⁽¹⁵⁾

- (11) Consists of (a) 4,898,964 shares of Class B common stock held directly by the reporting person, (b) 435,350 shares of Class B common stock held by the Sonali Paul Trust U/A/D 12/20/12, and (c) 73,662 shares of Class A common stock subject to options held by the reporting person that are exercisable within 60 days of December 31, 2013.
- (12) The holders of Class B common stock are entitled to 10 votes per share of Class B common stock. Each share of Class B common stock is convertible into the Issuer's Class A common stock on a 1-for-1 basis (a) at any time at the option of the holder of such share, (b) upon the transfer of such share (subject to certain exceptions for transfers not involving a sale, such as transfers not constituting a change in beneficial ownership, estate planning transfers and gifts), and (c) if the Class B common stock held by the holder of such share plus that holder's affiliates represents less than 5% of the Issuer's outstanding common stock.
- (13) Does not include 1,562,573 shares of Class B common stock held by the Paul Family Irrevocable Trust U/A 4/6/10. The shares are held in trust for the benefit of the reporting person's spouse and children. The reporting person's spouse is trustee of the trust.
- (14) Consists 1,562,573 shares of Class B common stock held by the Paul Family Irrevocable Trust U/A 4/6/10.
- (15) Does not include (a) 4,898,964 shares of Class B common stock held directly by the reporting person's spouse, (b) 435,350 shares of Class B common stock held by the Sonali Paul Trust U/A/D 12/20/12, and (c) 73,662 shares of Class A common stock subject to options held by the reporting person's spouse that are exercisable within 60 days of December 31, 2013.
- (16) Based on 66,065,197 shares of Class A common stock outstanding as of December 31, 2013, as reported by the Issuer to the reporting person, plus the number of shares of Class B common stock reported in response to Item 4(a) that are treated as converted into Class A common stock for the purpose of computing the percentage ownership of the reporting person.
- (17) Assumes conversion of all of the reporting person's Class B common stock into shares of Class A common stock.

Item 5. Ownership of Five Percent or Less of a Class

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not Applicable

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on
By the Parent Holding Company**

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

Not Applicable

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2014

/s/ David C. Paul
David C. Paul

/s/ Sonali Paul
Sonali Paul

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nformity with the Federal Reserve Act and regulations promulgated there under. PROPOSAL II - RATIFICATION OF APPOINTMENT OF AUDITORS The Audit Committee of the Board of Directors of the Company has approved the engagement of Plante & Moran, PLLC to be the Company's auditors for the year ending December 31, 2003, subject to the ratification of the engagement by the Company's stockholders. Auditors are not deemed independent under Securities Rules unless the Audit Committee has approved the engagement, or alternatively, the engagement is entered into pursuant to detailed pre-approval policies and procedures established by the audit committee which sets forth each specific service to be performed by auditor. At the Annual Meeting, stockholders will consider and vote on the ratification of the engagement of Plante & Moran, PLLC for the Company's fiscal year ending December 31, 2004. A representative of Plante & Moran, PLLC is expected to attend the Annual Meeting to respond to appropriate questions and to make a statement if he so desires. Stockholder ratification of the selection of Plante & Moran, PLLC is not required by the Company's bylaws or otherwise. However, the Board is submitting the selection of the independent auditors to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection of Plante & Moran, PLLC, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such change is in the best interests of the Company and its stockholders. FEES PAID TO PLANTE & MORAN, PLLC Set forth below is certain information concerning aggregate fees billed for professional services rendered by Plante & Moran, PLLC during 2003 and 2002: AUDIT FEES. The aggregate fees billed to the Company by Plante & Moran, PLLC for professional services rendered by Plante & Moran, PLLC for the audit of the Company's annual financial statements, review of the 14 financial statements included in the Company's Quarterly Reports on Form 10-QSB and services that are normally provided by Plante & Moran, PLLC in connection with statutory and regulatory filings and engagements were \$50,500 and \$37,150 during the fiscal years ended December 31, 2003 and 2002, respectively. AUDIT-RELATED FEES. The aggregate fees billed to the Company by Plante & Moran, PLLC for assurance and related services rendered by Plante & Moran, PLLC that are reasonably related to the performance of the audit of and review of the financial statements and that are not already reported in "Audit Fees," above, were \$17,800 and \$11,450 during the fiscal years ended December 31, 2003 and 2002, respectively. These services included consultation regarding the Company's internal audit schedule and programs and review associated with the Company's acquisition of an insurance agency. TAX FEES. The aggregate fees billed to the Company by Plante & Moran, PLLC for professional services rendered by Plante & Moran, PLLC for tax compliance, tax advice and tax planning were \$1,250 and \$6,350

during the fiscal years ended December 31, 2003 and 2002, respectively. These services included consultation on a discrepancy between IRS and SSA Records and research on taxability of gifts and disbursements to terminated employees. ALL OTHER FEES. The aggregate fees billed to the Company by Plante & Moran, PLLC that are not described above were \$0 and \$32,800 during the fiscal years ended December 31, 2003 and 2002, respectively. These services included consultation with respect to the Company's implementation of FAS 91, the insurance agency acquisition and the Company's regulatory examination. The Audit Committee has considered whether the provision of non-audit services, which relate primarily to compliance and internal audit training, is compatible with maintaining Plante & Moran, PLLC's independence. The Audit Committee concluded that performing such services does not affect Plante & Moran, PLLC's independence in performing its function as auditor of the Company. POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES OF INDEPENDENT AUDITOR The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to particular service or category of services and is generally subject to a specific budget. The Audit Committee has delegated pre-approval authority to its Chairman when expedition of services is necessary. The independent auditors and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. For 2003, all services were pre-approved by the Audit Committee. REQUIRED VOTE AND RECOMMENDATION OF THE BOARD OF DIRECTORS. In order to ratify the selection of Plante & Moran, PLLC as independent auditors for the 2004 fiscal year, the proposal must receive the affirmative vote of at least a majority of the votes cast at the Annual Meeting, either in person or by proxy. THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF PLANTE & MORAN, PLLC AS INDEPENDENT AUDITORS STOCKHOLDER PROPOSALS In order to be eligible for inclusion in the Company's proxy materials for next year's Annual Meeting of Stockholders, any stockholder proposal to take action at such meeting must be received at the Company's executive office, 100 S. Second Avenue, Alpena, Michigan 49707, no later than November 19, 2004. Any such proposal shall be subject to the requirements of the proxy rules adopted under the Exchange Act. 15 OTHER MATTERS AND ADVANCE NOTICE PROCEDURES The Board of Directors is not aware of any business to come before the Annual Meeting other than the matters described above in this proxy statement. However, if any matters should properly come before the Annual Meeting, it is intended that holders of the proxies will act as directed by a majority of the Board of Directors, except for matters related to the conduct of the Annual Meeting, as to which they shall act in accordance with their best judgment. The Board of Directors intends to exercise its discretionary authority to the fullest extent permitted under the Exchange Act. The Bylaws of the Company provide an advance notice procedure for new business to be taken up at the Annual Meeting. In order for a stockholder to properly bring business before the Annual Meeting, the stockholder must state the new business in writing and file the description of the new business with the Secretary of the Company at least five days prior to the date of the Annual Meeting. A stockholder may make any other proposal at the Annual Meeting itself, and the proposal may be discussed and considered, but unless stated in writing and filed with the Secretary at least five days prior to the Annual Meeting, the proposal will be laid over for action at an adjourned, special or annual meeting of the stockholders taking place 30 days or more thereafter. Nothing in this paragraph shall be deemed to require the Company to include in its proxy statement and proxy relating to an annual meeting any stockholder proposal that does not meet all of the requirements for inclusion established by the SEC in effect at the time such proposal is received. The date on which the 2005 Annual Meeting of Stockholders is expected to be held is April 20, 2005. Accordingly, advance written notice of business or nominations to the Board of Directors to be brought before the 2005 Annual Meeting of Stockholders must be given to the Company no later than April 15, 2005. MISCELLANEOUS The cost of solicitation of proxies will be borne by the Company. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Common Stock. In addition to solicitations by mail, directors, officers, and regular employees of the Company may solicit proxies personally or by telegraph or telephone without additional compensation. A COPY OF THE COMPANY'S REPORT ON FORM 10-KSB FOR THE YEAR ENDED DECEMBER 31, 2003 WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS AS OF THE RECORD DATE UPON WRITTEN REQUEST TO MICHAEL W. MAHLER, ACTING SECRETARY, ALPENA BANCSHARES, INC., 100 S. SECOND AVENUE, ALPENA, MICHIGAN 49707. BY ORDER OF THE BOARD

OF DIRECTORS /s/ Michael W. Mahler Michael W. Mahler Acting Secretary Alpena, Michigan March 15, 2004 16
APPENDIX A AUDIT COMMITTEE CHARTER ADOPTED: JULY 19, 2000, AND AMENDED ON MARCH 12,
2004 ALPENA BANCSHARES, INC. CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF
DIRECTORS I. AUDIT COMMITTEE PURPOSE The Audit Committee of Alpena Bancshares, Inc. (the
"Company") is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The
Audit Committee's primary duties and responsibilities are to: - Monitor the integrity of the Company's financial
reporting process and systems of internal controls regarding finance, accounting, and legal compliance. - Monitor the
qualifications, independence and performance of the Company's independent auditors and internal auditor. - Provide
an avenue of communication among the independent auditors, management, the internal auditor and the Board of
Directors. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its
responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit
Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or
experts it deems necessary in the performance of its duties. II. AUDIT COMMITTEE COMPOSITION AND
MEETINGS Audit Committee members shall meet the requirements of the National Association of Securities Dealers
(NASD). The Audit Committee shall be comprised of three or more directors as determined by the Board, each of
whom shall be independent non-executive directors, free from any relationship that, in the opinion of the Board,
would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a
basic understanding of finance and accounting and be able to read and understand fundamental financial statements,
and at least one member of the Committee shall have accounting or related financial management expertise. The
Board shall determine whether at least one member of the Committee qualifies as an "audit committee financial
expert" in compliance with criteria established by the SEC and other relevant regulations. The existence of such
member, including his or her name and whether he or she is independent, shall be disclosed in periodic filings as
required by the SEC. Audit Committee members shall be appointed by the Board and the Audit Committee shall
regularly report to the Board. If an Audit Committee Chair is not designated or present, the members of the
Committee may designate a Chair by majority vote of the Committee membership. The Committee shall meet at least
four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or
approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least
annually with management and the independent auditors, and as a committee to discuss any matters that the
Committee or each of these groups believe should be discussed. In addition, the Committee, or at least its Chair,
should communicate with management and the independent auditors quarterly to review the Company's financial
statements and significant findings based upon the auditors limited review procedures. A-1 III. AUDIT COMMITTEE
RESPONSIBILITIES AND DUTIES Review Procedures 1. Review and reassess the adequacy of this Charter at least
annually. Submit the charter to the Board of Directors for approval and have the document published at least every
three years in accordance with SEC regulations. 2. Review the Company's annual audited financial statements,
including disclosures made in management's discussion and analysis, prior to filing or distribution, and recommend to
the Board whether the audited financial statements should be included in the Company's Form 10-KSB. Review
should include discussion with management and independent auditors of significant issues regarding accounting
principles, practices, and judgments. 3. In consultation with management and the independent auditors, the Committee
will consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial
risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant
findings prepared by the independent auditors together with management's responses. 4. Review with financial
management and the independent auditors the Company's quarterly financial results prior to the release of earnings
and/or the Company's quarterly financial statements prior to filing or distribution. Discuss any significant changes to
the Company's accounting principles and any items required to be communicated by the independent auditors in
accordance with SAS 61. The Chair of the Committee may represent the entire Audit Committee for purposes of this
review. 5. Review and discuss with management and the independent auditor the certifications of the Company's chief
executive officer and chief financial officer about any significant deficiencies in the design or operation of internal
controls or material weaknesses therein and any fraud involving management or other employees who have a
significant role in the Company's internal controls, as required by the Sarbanes-Oxley Act of 2002 (Sections 302 and
906), and the relevant reports rendered by the independent auditor. 6. Review and discuss quarterly reports from the
independent auditor on: (a) all critical accounting policies and practices used or to be used (b) all alternative

treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences 7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. 8. Review with management, corporate counsel and the independent auditor the status of legal matters, including the significance of such matters on the Company's financial statements, and the adequacy of disclosures regarding such matters in the Company's financial statements and SEC filings. A-2 9. Review with management and the independent auditor all related party transactions and determine that all required disclosures are included in the Company's annual report and annual proxy statement. 10. Review with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, any difficulties encountered in the course of the audit, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management. Independent Auditors 11. The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant. 12. Review and pre-approve both audit and non-audit services to be provided by the independent auditor (other than with respect to non-significant exceptions permitted by the Sarbanes-Oxley Act of 2002) in accordance with the Company's pre-approval policy. 13. On an annual basis, the Committee should review and discuss with the independent auditors, all significant relationships they have with the Company that could impair the auditors' independence. 14. Review the independent auditors audit plan, discuss scope, staffing, locations, reliance upon management, and internal audit and general audit approach. 15. Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees in accordance with AICPA SAS 61. 16. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting. Other Audit Committee Responsibilities 17. Annually prepare a report to shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement. 18. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate. 19. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities. IV. LIMITATION OF AUDIT COMMITTEE'S ROLE While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. A-3 REVOCABLE PROXY ALPENA BANCSHARES, INC. [X] PLEASE MARK VOTES AS IN THIS EXAMPLE ANNUAL MEETING OF STOCKHOLDERS APRIL 21, 2004 The undersigned hereby appoints the official proxy committee consisting of the entire Board of Directors with full powers of substitution to act as attorneys and proxies for the undersigned to vote all shares of Common Stock of the Company which the undersigned is entitled to vote at the Annual Meeting of Stockholders ("Annual Meeting") to be held at the Thunder Bay Recreational Center, 701 Woodward Avenue, Alpena, Michigan, on April 21, 2004, at 1:00 p.m., Michigan time. The official proxy committee is authorized to cast all votes to which the undersigned is entitled as follows: WITH- FOR ALL FOR HOLD EXCEPT 1. The election as directors of all nominees listed (except as marked to [] [] [] the contrary below): KEITH D. WALLACE INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, MARK "FOR ALL EXCEPT" AND WRITE THAT NOMINEE'S NAME IN THE SPACE PROVIDED BELOW. FOR AGAINST ABSTAIN 2. The ratification of the appointment of Plante & Moran PLLC as auditors for the [] [] [] Company for the year ending December 31, 2004. PLEASE CHECK BOX IF YOU PLAN TO ATTEND THE MEETING. [] Please be sure to sign and date this Proxy in the box below. Date -----

----- Stockholder sign above Co-holder (if any) sign above THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS. THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR EACH OF THE PROPOSITIONS STATED ABOVE. IF ANY OTHER BUSINESS IS

PRESENTED AT SUCH MEETING, THIS PROXY WILL BE VOTED BY THE MAJORITY OF THE BOARD OF DIRECTORS. AT THE PRESENT TIME, THE BOARD OF DIRECTORS KNOWS OF NO OTHER BUSINESS TO BE PRESENTED AT THE MEETING. THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS.

----- - DETACH ABOVE CARD, SIGN, DATE AND MAIL IN POSTAGE-PREPAID ENVELOPE PROVIDED. - ALPENA BANCSHARES, INC. Should the above-signed be present and elect to vote at the Annual Meeting or at any adjournment thereof and after notification to the Secretary of the Company at the Annual Meeting of the stockholder's decision to terminate this proxy, then the power of said attorneys and proxies shall be deemed terminated and of no further force and effect. This proxy may also be revoked by sending written notice to the Secretary of the Company at the address set forth on the Notice of Annual Meeting of Stockholders, or by the filing of a later dated proxy prior to a vote being taken on a particular proposal at the Annual Meeting. The above-signed acknowledges receipt from the Company prior to the execution of this proxy of notice of the Annual Meeting, a proxy statement dated March 15, 2004, and audited financial statements. Please sign exactly as your name appears on this proxy. When signing as attorney, executor, administrator, trustee or guardian, please give full title. If shares are held jointly, each holder should sign. PLEASE COMPLETE AND DATE THIS PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE. IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED. -----