

PARK NATIONAL CORP /OH/

Form S-3ASR

January 22, 2009

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**As filed with the Securities and Exchange Commission on January 22, 2009**  
**Registration No. 333-\_\_\_\_\_**

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

**Form S-3  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**PARK NATIONAL CORPORATION**  
(Exact name of Registrant as specified in its charter)

**Ohio**  
(State or other jurisdiction of  
incorporation or organization)

**31-1179518**  
(I.R.S. Employer Identification Number)

**50 North Third Street  
Newark, Ohio 43055  
(740) 349-8451**

(Address, including zip code, and telephone number, including area code,  
of Registrant's principal executive offices)

*With a Copy to:*

**David L. Trautman  
President and Secretary  
Park National Corporation  
50 North Third Street  
Newark, Ohio 43055  
(740) 349-8451**

Elizabeth Turrell Farrar, Esq.  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, Ohio 43215  
(614) 464-5607

(Name, address, including zip code, and telephone  
number,  
including area code, of agent for service)

**From time to time after the effective date of this Registration Statement**

(Approximate date of commencement of proposed sale to the public)

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

offering:

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box:

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
 (Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Fixed Rate Cumulative Perpetual Preferred Shares, Series A, no par value per share (2)	100,000	\$1,000 (1)	\$100,000,000	\$3,930.00
Depository Shares (2)				
Common Shares, no par value per share (3)	227,376	\$65.97 (4)	\$14,999,995	\$ 589.50
Warrant to Purchase Common Shares, no par value per share (5)				
<b>Total</b>				<b>\$4,519.50</b>

(1) Represents the liquidation preference amount for each Fixed Rate Cumulative Perpetual Preferred Share, Series A (the Series A Preferred Shares ) which we sold in a non-public offering to the United States Department of the Treasury (the U.S. Treasury ) under

its Troubled Asset Relief Program Capital Purchase Program. Calculated in accordance with Rule 457(a) under the Securities Act of 1933, as amended (the Securities Act of 1933 ), and includes such number of additional Series A Preferred Shares, of a currently indeterminable amount, as may from time to time become issuable by reason by share splits, share dividends or similar transactions, which Series A Preferred Shares are registered hereunder pursuant to Rule 416 under the Securities Act of 1933.

- (2) In the event the U.S. Treasury requests that we deposit the Series A Preferred Shares with a depositary pursuant to a depositary arrangement,

depository  
shares  
evidencing  
fractional  
Series A  
Preferred Shares  
may be sold  
pursuant to this  
Registration  
Statement in  
lieu of whole  
Series A  
Preferred  
Shares.

- (3) The Common Shares being registered are purchasable upon exercise of the Warrant to Purchase Common Shares being registered, which we issued to the U.S. Treasury in a non-public offering concurrent with the sale of the Series A Preferred Shares to the U.S. Treasury as described in footnote (1). In addition to the number of Common Shares stated in the table above, there is registered, pursuant to Rule 416 under the Securities Act of 1933, such number of additional Common

Shares, of a currently indeterminable amount, as may from time to time become issuable by reason of share splits, share dividends or similar transactions and certain anti-dilution provisions set forth in the Warrant to Purchase Common Shares.

- (4) Estimated in accordance with Rule 457(i) under the Securities Act of 1933 and calculated on the basis of the \$65.97 per share exercise price of the Warrant to Purchase Common Shares.
- (5) Pursuant to Rule 457(i) under the Securities Act of 1933, no additional fee is payable for the Warrant to Purchase Common Shares.

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**PROSPECTUS**

**Park National Corporation**  
**100,000 Fixed Rate Cumulative Perpetual Preferred Shares, Series A, No Par Value**  
**(or Depository Shares Evidencing Fractional Interests in Such Fixed**  
**Rate Cumulative Perpetual Preferred Shares, Series A, No Par Value)**  
**Warrant to Purchase 227,376 Common Shares, No Par Value**  
**227,376 Common Shares, No Par Value**

This prospectus relates to the potential resale from time to time by the selling securityholders of some or all of 100,000 of our Fixed Rate Cumulative Perpetual Preferred Shares, Series A, no par value per share, liquidation preference \$1,000 per share (the Series A Preferred Shares ), or, in the event such Series A Preferred Shares are deposited with a depository as described in this prospectus, depository shares evidencing fractional interests in such Series A Preferred Shares; a warrant (the Warrant ) to purchase 227,376 of our common shares, no par value per share (the Common Shares ); and any Common Shares issuable from time to time upon exercise of the Warrant. The Series A Preferred Shares and the Warrant were originally issued by us pursuant to the Letter Agreement dated December 23, 2008, and the related Securities Purchase Agreement Standard Terms, between us and the United States Department of the Treasury (the U.S. Treasury ), in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act ).

The selling securityholders who may sell or otherwise dispose of the securities offered by this prospectus include the U.S. Treasury and any other holders of the securities covered by this prospectus to whom the U.S. Treasury has transferred its registration rights in accordance with the terms of the Letter Agreement between us and the U.S. Treasury. The selling securityholders may offer the securities from time to time directly or through underwriters, broker-dealers or agents and in one or more public or private transactions and at fixed prices, at prevailing market prices, at prices related to prevailing market prices or at negotiated prices. If these securities are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agents commissions. We will not receive any proceeds from the sale of securities by the selling securityholders.

Neither the Series A Preferred Shares nor the Warrant is listed on any national securities exchange, and, unless requested by the U.S. Treasury, we do not intend to seek such a listing for the Series A Preferred Shares or the Warrant.

The Common Shares of Park National Corporation ( Park ) are listed on NYSE Alternext US under the symbol PRK. On January 21, 2009, the closing price for the Park Common Shares was \$54.35.

**Investing in our securities involves risks. We urge you to carefully review the information contained in this prospectus under the caption RISK FACTORS beginning on page 4 and other information included or incorporated by reference in this prospectus and any prospectus supplement for a discussion of factors you should carefully consider before you make your investment decision.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY STATE SECURITIES COMMISSION NOR ANY BANK REGULATORY AGENCY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE NOT DEPOSITS OR ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR SAVINGS ASSOCIATION AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM OR ANY OTHER GOVERNMENTAL OR REGULATORY AGENCY OR INSTRUMENTALITY.**

Our principal executive offices are located at 50 North Third Street, Newark, Ohio 43055 and our telephone number is (740) 349-8451.

The date of this prospectus is January 22, 2009.

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**WHERE YOU CAN FIND MORE INFORMATION**

**Available Information**

We have filed a registration statement on Form S-3 with the Securities and Exchange Commission (the SEC) covering the securities that may be sold under this prospectus. This prospectus summarizes material provisions of contracts, agreements and other documents that we refer you to. For further information about us and the securities that may be sold under this prospectus, you should refer to our registration statement and its exhibits. As permitted by the rules and regulations of the SEC, the registration statement that contains this prospectus includes additional information not contained in this prospectus. Because the prospectus may not contain all the information you may find important, you should review the full text of these documents. Copies of these documents have been incorporated by reference as exhibits to our registration statement of which this prospectus is a part.

We also file reports, proxy statements and other information with the SEC. The reports, proxy statements and other information that we file with the SEC are available to the public from the SEC's Internet site at <http://www.sec.gov>. Copies of certain information filed by us with the SEC are also available through our Internet site at <http://www.parknationalcorp.com>. The information on the SEC Internet site and on our Internet site is not a part of this prospectus. You may also read and copy any document we file with the SEC by visiting the SEC's Public Reference Room in Washington, D.C. The SEC's address in Washington, D.C. is 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for information on the operation of the Public Reference Room. You may also inspect our SEC reports and other information at NYSE Alternext US, 30 Broad Street, 5th Floor, New York, New York 10004.

**Incorporation by Reference**

The SEC allows us to incorporate by reference into this prospectus information that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. Any information we incorporate in this manner is considered part of this prospectus except to the extent updated and superseded by information contained in this prospectus.

We incorporate by reference the following documents that we have filed with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act), except as noted below:

Annual Report on Form 10-K for the fiscal year ended December 31, 2007;

Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2008, June 30, 2008 and September 30, 2008;

Current Reports on Form 8-K filed/furnished on January 2, 2008, January 11, 2008, January 15, 2008, January 16, 2008, January 28, 2008, February 19, 2008, April 21, 2008, May 20, 2008, July 8, 2008, July 16, 2008, August 18, 2008, September 2, 2008, September 8, 2008, September 22, 2008, October 14, 2008 (two reports), October 20, 2008, October 28, 2008, November 21, 2008, December 1, 2008, December 2, 2008, December 19, 2008, December 23, 2008 and January 9, 2009;

The definitive proxy statement for our 2008 Annual Meeting of Shareholders; and

The description of our Common Shares which is contained in Item 5. Other Information of Part II of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2007, together with any subsequent registration statement or report filed for the purpose of updating such description.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed:

any reports filed under Section 13(a) or Section 13(c) of the Exchange Act;

any document filed under Section 14 of the Exchange Act; and

any reports filed under Section 15(d) of the Exchange Act.



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Pursuant to General Instruction B of Form 8-K, any information furnished pursuant to Item 2.02. Results of Operations and Financial Condition, or Item 7.01. Regulation FD Disclosure of Form 8-K is not deemed to be filed for purposes of Section 18 of the Exchange Act, and we are not incorporating by reference any information furnished pursuant to Item 2.02 or Item 7.01 (or former Item 9 or Item 12) of Form 8-K into this prospectus.

Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to in this prospectus do not purport to be complete, and, where reference is made to the particular provisions of that contract, agreement or other document, those references are qualified in all respects by reference to all of the provisions contained in that contract, agreement or other document. Any statement contained in a document incorporated by reference, or deemed to be incorporated by reference, into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated by reference in this prospectus modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) and a copy of any or all other contracts, agreements or documents which are referred to in this prospectus. Requests should be directed to: Park National Corporation, 50 North Third Street, Newark, Ohio 43055, Attention: John W. Kozak, Chief Financial Officer, telephone number (740) 349-8451.

### **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the SEC utilizing a shelf registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act. Under this shelf registration process, the selling securityholders named in this prospectus may sell any of the securities described in this prospectus in one or more offerings from time to time. When we use the term securities in this prospectus, we mean any of the securities that the selling securityholders named in this prospectus may offer under this prospectus, unless we say otherwise. We may provide a prospectus supplement containing specific information about the terms of a particular offering by the selling securityholders. The prospectus supplement may also add, update or change information contained in this prospectus. If the information in this prospectus is inconsistent with a prospectus supplement, you should rely on the information in the prospectus supplement. You should carefully read both this prospectus and any prospectus supplement. You also should carefully read the documents incorporated by reference into this prospectus and the documents we have referred you to in **WHERE YOU CAN FIND MORE INFORMATION** for additional information about our Company, including our financial statements.

Unless the context otherwise requires, references to Park, the Company, we, our and us and similar terms mean Park National Corporation and its subsidiaries and predecessors.

The selling securityholders named in this prospectus may use this prospectus to offer any of the following of our securities from time to time:

Fixed Rate Cumulative Perpetual Preferred Shares, Series A, no par value, either directly or represented by depositary shares;

Warrant to purchase 227,376 of our Common Shares, no par value; or

Common Shares, no par value, issued upon exercise of the Warrant.

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. We have not, and the selling securityholders have not, authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. This prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, any of the securities to which this prospectus relates in any jurisdiction to or from any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and, if applicable, any prospectus supplement or any document incorporated by reference in this prospectus or any prospectus supplement, is accurate as of any date other than the date on the front cover of this prospectus or on the front cover of the applicable prospectus supplement or documents or as



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specifically indicated in the document. Our business, financial condition, results of operations and prospects may have changed since that date.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains some forward-looking statements that set forth anticipated results based on our management's plans and assumptions. From time to time, we also provide forward-looking statements in other materials we release to the public as well as oral forward-looking statements. Such statements give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. We have tried, wherever possible, to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe, will and similar expressions in connection with any discussion of future operating or financial performance.

We cannot guarantee that any forward-looking statement will be realized, although our management believes that we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. If known or unknown risks or uncertainties should materialize, or if underlying assumptions should prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind in reading this prospectus. Factors that might cause such differences include, but are not limited to:

general business and economic conditions in the markets we serve, specifically the real estate markets, may be less favorable than anticipated which could decrease the demand for loan, deposit and other financial services and increase loan delinquencies and defaults;

deterioration in the asset value of our banking subsidiary Vision Bank's loan portfolio may be worse than expected;

changes in market rates and prices may adversely impact the value of securities, loans, deposits and other financial instruments and the interest rate sensitivity of our consolidated balance sheet;

our liquidity requirements could be adversely affected by changes in our assets and liabilities;

the nature, timing and effect of legislative or regulatory developments including changes in laws concerning taxes, banking, securities and other aspects of the financial services industry;

competitive factors among financial services organizations, including product and pricing pressures and our ability to attract, develop and retain qualified banking professionals;

our ability to execute our business plan successfully and within the expected time frame;

the effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the SEC, the Public Company Accounting Oversight Board and other regulatory agencies;

the effect of fiscal and governmental policies of the United States federal government;

rapidly changing technology affecting the financial services industry;

other external developments materially affecting our operational and financial performance; and

those risks and uncertainties included in this prospectus under the caption **RISK FACTORS**.

We undertake no obligation publicly to update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with

or furnished to the SEC. Also note that we provide cautionary discussion of risks, uncertainties and possibly inaccurate assumptions relevant to our business in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K incorporated by reference herein and in prospectus supplements and other offering materials. These are factors that, individually or in the aggregate, management believes could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider such disclosures to be a complete discussion of all potential risks or uncertainties.

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*An investment in our securities involves certain risks. You should carefully consider the following risk factors and other information contained in this prospectus and the documents incorporated by reference in this prospectus, before making an investment decision. Certain risks related to us and our business are described under the heading **Item 1A. Risk Factors** in Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and under the heading **Item 1A. Risk Factors** in Part II of our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2008, June 30, 2008 and September 30, 2008. Listed below are a number of additional risks, including certain risks related to the securities offered by this prospectus. The risks discussed below also include forward-looking statements, and our actual results may differ materially from those discussed in these forward-looking statements. Risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.*

**Risks Relating to Park and our Subsidiaries*****Difficult market conditions and economic trends have adversely affected our industry and our business.***

Negative developments beginning in the latter half of 2007 and throughout 2008 in the sub-prime mortgage market and the securitization markets for such loans, together with substantial volatility in oil prices and other factors, have resulted in uncertainty in the financial markets in general and a related general economic downturn, continuing into 2009. Dramatic declines in the housing market, with decreasing home prices and increasing delinquencies and foreclosures, have negatively impacted the credit performance of mortgage and construction loans and resulted in significant write-downs of assets by many financial institutions. In addition, the values of real estate collateral supporting many loans have declined and may continue to decline. General downward economic trends, reduced availability of commercial credit and increasing unemployment have negatively impacted the credit performance of commercial and consumer credit, resulting in additional write-downs. Concerns over the stability of the financial markets and the economy have resulted in decreased lending by financial institutions to their customers and to each other. This market turmoil and tightening of credit has led to increased commercial and consumer deficiencies, lack of customer confidence, increased market volatility and widespread reduction in general business activity. Competition among depository institutions for deposits has increased significantly. Financial institutions have experienced decreased access to deposits or borrowings. The resulting economic pressure on consumers and businesses and the lack of confidence in the financial markets may adversely affect our business, financial condition, results of operations and stock price.

Our ability to assess the creditworthiness of customers and to estimate the losses inherent in our credit exposure is made more complex by these difficult market and economic conditions. As a result of the foregoing factors, there is a potential for new federal or state laws and regulations regarding lending and funding practices and liquidity standards, and bank regulatory agencies are expected to be very aggressive in responding to concerns and trends identified in examinations. This increased governmental action may increase our costs and limit our ability to pursue certain business opportunities. We also may be required to pay even higher Federal Deposit Insurance Corporation ( FDIC ) premiums than the recently increased level, because financial institution failures resulting from the depressed market conditions have depleted and may continue to deplete the deposit insurance fund and reduce its ratio of reserves to insured deposits.

A worsening of these conditions would likely exacerbate the adverse effects of these difficult market and economic conditions on us, our customers and the other financial institutions in our market. As a result, we may experience increases in foreclosures, delinquencies and customer bankruptcies, as well as more restricted access to funds.

***There can be no assurance that recent legislative and regulatory initiatives to address difficult market and economic conditions will stabilize the U.S. banking system.***

The recently enacted Emergency Economic Stabilization Act of 2008 (the EESA ) authorizes the U.S. Treasury to, among other things, purchase up to \$700 billion of mortgages, mortgage-backed securities and certain other financial instruments from financial institutions and their holding companies, under a Troubled Asset Relief Program ( TARP ). The purpose of TARP is to restore confidence and stability to the U.S. banking system and to encourage financial institutions to increase their lending to customers and to each other. Under the TARP Capital Purchase Program, the U.S. Treasury is purchasing equity securities from participating institutions. On December 23, 2008, we entered into a



Letter Agreement, and the related Securities Purchase Agreement Standard Terms attached thereto, with the U.S. Treasury providing for our issuance of the Series A Preferred Shares and the Warrant, pursuant to the TARP Capital Purchase Program. The EESA also

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increased federal deposit insurance on most deposit accounts from \$100,000 to \$250,000. This increase is in place until the end of 2009 and is not covered by deposit insurance premiums paid by the banking industry.

The EESA followed, and has been followed by, numerous actions by the Federal Reserve Board, the U.S. Congress, the U.S. Treasury, the FDIC, the SEC and others to address the current liquidity and credit crisis that has followed the sub-prime mortgage market meltdown that began in 2007. These measures include homeowner relief that encourages loan restructuring and modification; the establishment of significant liquidity and credit facilities for financial institutions and investment banks; the lowering of the federal funds rate; emergency action against short selling practices; a temporary guaranty program for money market funds; the establishment of a commercial paper funding facility to provide back-stop liquidity to commercial paper issuers; and coordinated international efforts to address illiquidity and other weaknesses in the banking sector. The purpose of these legislative and regulatory actions is to stabilize the U.S. banking system. The EESA and the other regulatory initiatives described above may not have their desired effects. If the volatility in the markets continues and economic conditions fail to improve or worsen, our business, financial condition and results of operations could be materially and adversely affected.

***Current levels of market volatility are unprecedented.***

The capital and credit markets have been experiencing volatility and disruption for more than a year. In recent months, the volatility and disruption has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. If current levels of market disruption and volatility continue or worsen, there can be no assurance that we will not experience an adverse effect, which may be material, on our ability to access capital and on our business, financial condition and results of operations.

***Because of our participation in the Capital Purchase Program, we are subject to several restrictions including restrictions on our ability to declare or pay dividends and repurchase our shares as well as restrictions on compensation paid to our executive officers.***

Pursuant to the terms of the Securities Purchase Agreement, our ability to declare or pay dividends on any of our shares is limited. Specifically, we are unable to declare dividend payments on Common Shares, junior preferred shares or *pari passu* preferred shares if we are in arrears on the payment of dividends on the Series A Preferred Shares. Further, we are not permitted to increase dividends on our Common Shares above the amount of the last quarterly cash dividend per share declared prior to October 14, 2008 (\$0.94 per share) without the U.S. Treasury's approval until December 23, 2011, unless all of the Series A Preferred Shares have been redeemed or transferred by the U.S. Treasury to unaffiliated third parties. In addition, our ability to repurchase our shares is restricted. The consent of the U.S. Treasury generally is required for us to make any stock repurchase (other than in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice) until December 23, 2011, unless all of the Series A Preferred Shares have been redeemed or transferred by the U.S. Treasury to unaffiliated third parties. Further, Common Shares, junior preferred shares or *pari passu* preferred shares may not be repurchased if we are in arrears on the payment of Series A Preferred Share dividends.

In addition, pursuant to the terms of the Securities Purchase Agreement, we adopted the U.S. Treasury's standards for executive compensation and corporate governance for the period during which the U.S. Treasury holds the equity securities issued pursuant to the Securities Purchase Agreement, including the Common Shares which may be issued upon exercise of the Warrant. These standards generally apply to our Chief Executive Officer, Chief Financial Officer and the three next most highly compensated senior executive officers. The standards include (i) ensuring that incentive compensation plans and arrangements for senior executive officers do not encourage unnecessary and excessive risks that threaten our value; (ii) required clawback of any bonus or incentive compensation paid (or under a legally binding obligation to be paid) to a senior executive officer based on materially inaccurate financial statements or other materially inaccurate performance metric criteria; (iii) prohibition on making golden parachute payments to senior executive officers; and (iv) agreement not to claim a deduction, for federal income tax purposes, for compensation paid to any of the senior executive officers in excess of \$500,000 per year. In particular, the change to the deductibility limit on executive compensation will likely increase the overall cost of our compensation programs in future periods. Since the Warrant has a ten-year term, we could potentially be subject to the executive compensation and corporate governance restrictions for at least a ten-year time period. This period could be extended based upon the

period during which the U.S. Treasury continues to hold Series A Preferred Shares or Common Shares acquired upon exercise of the Warrant.

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**Risks Relating to the Series A Preferred Shares and Our Common Shares**

*The Series A Preferred Shares represent equity interests in Park and are subordinate to all of our existing and future indebtedness. Regulatory, statutory and contractual restrictions may limit or prevent us from paying dividends on the Series A Preferred Shares and our Common Shares, and the Series A Preferred Shares place no limitations on the amount of indebtedness we and our subsidiaries may incur in the future.*

The Series A Preferred Shares are equity interests in Park and do not constitute indebtedness. As such, the Series A Preferred Shares, like our Common Shares, rank junior to all indebtedness and other non-equity claims on Park with respect to assets available to satisfy claims on Park, including in a liquidation of Park. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred shares like the Series A Preferred Shares, as with our Common Shares, (1) dividends are payable only when, as and if authorized and declared by, our Board of Directors and depend on, among other things, our results of operations, financial condition, debt service requirements, other cash needs and any other factors our Board of Directors deems relevant, and (2) as an Ohio corporation, under Ohio law, we are subject to restrictions on payments of dividends out of lawfully available funds. See the discussion under the captions **DESCRIPTION OF SERIES A PREFERRED SHARES Dividends Payable on Series A Preferred Shares** and **DESCRIPTION OF COMMON SHARES Dividends**.

The Series A Preferred Shares do not limit the amount of debt or other obligations we or our subsidiaries may incur in the future. Accordingly, we and our subsidiaries may incur substantial amounts of additional debt and other obligations that will rank senior to the Series A Preferred Shares or to which the Series A Preferred Shares will be structurally subordinated.

We are subject to certain contractual restrictions that could prohibit us from declaring or paying dividends or making liquidation payments on our Common Shares or the Series A Preferred Shares. See the immediately following risk factor.

*If we defer payments of interest on our outstanding junior subordinated notes or if certain defaults relating to those junior subordinated notes occur, we will be prohibited from declaring or paying dividends or distributions on, from redeeming or repurchasing, and from making liquidation payments with respect to, the Series A Preferred Shares and our Common Shares.*

As of September 30, 2008, we had outstanding \$15 million aggregate principal amount of junior subordinated notes, which we assumed in connection with the March 9, 2007 merger of Vision Bancshares, Inc. into Park (the Vision Merger). These junior subordinated notes were issued in connection with the sale by Vision Bancshares Trust I of floating rate preferred securities. In connection with the Vision Merger, we also assumed the guarantee of those floating rate preferred securities. The indenture under which the junior subordinated notes were issued, together with the related guarantee, prohibits us, subject to limited exceptions, from declaring or paying any dividends or distributions on, or redeeming, repurchasing, acquiring or making any liquidation payments with respect to, any of our capital stock (including the Series A Preferred Shares and our Common Shares) at any time when (i) there shall have occurred and be continuing an event of default under the indenture; (ii) we are in default with respect to payment of any obligations under the related guarantee; or (iii) we have deferred payment of interest on the junior subordinated notes outstanding under that indenture. In that regard, we are entitled, at our option but subject to certain conditions, to defer payments of interest on the junior subordinated notes from time to time for up to 20 consecutive quarterly periods.

Events of default under the indenture generally consist of our failure to pay interest on the junior subordinated notes outstanding under certain circumstances, our failure to pay any principal of or premium on such junior subordinated notes when due, our failure to comply with certain covenants under the indenture, and certain events of bankruptcy, insolvency or liquidation relating to us or one of our banking subsidiaries.

As a result of these provisions, if we were to elect to defer payments of interest on the junior subordinated notes, or if any of the other events described in clause (i) or (ii) of the first paragraph of this risk factor were to occur, we would be prohibited from declaring or paying any dividends on the Series A Preferred Shares and our Common Shares, from redeeming, repurchasing or otherwise acquiring any of the Series A Preferred Shares or our Common Shares, and from making any payments to holders of the Series A Preferred Shares or our Common Shares in the event of our

liquidation, which would likely have a material adverse effect on the market value of the Series A Preferred Shares and our Common Shares. Moreover, without notice to or consent from the holders of the Series A Preferred Shares or our Common Shares, we

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may issue additional series of junior subordinated debt securities in the future with terms similar to those of our existing junior subordinated notes or enter into other financing agreements that limit our ability to purchase or to pay dividends or distributions on our capital stock, including the Series A Preferred Shares and our Common Shares.

***The prices of the Series A Preferred Shares and our Common Shares may fluctuate significantly, and this may make it difficult for you to resell the Series A Preferred Shares and/or Common Shares when you want or at prices you find attractive.***

There currently is no market for the Series A Preferred Shares, and we cannot predict how the Series A Preferred Shares or our Common Shares will trade in the future. The market value of the Series A Preferred Shares and our Common Shares will likely continue to fluctuate in response to a number of factors, most of which are beyond our control.

The market value of the Series A Preferred Shares and our Common Shares may also be affected by conditions affecting the financial markets generally, including price and trading fluctuations. These conditions may result in (i) volatility in the level of, and fluctuations in, the market prices of stocks generally and, in turn, the Series A Preferred Shares and our Common Shares and (ii) sales of substantial amounts of the Series A Preferred Shares or our Common Shares in the market, in each case that could be unrelated or disproportionate to changes in our operating performance. These broad market fluctuations may adversely affect the market value of the Series A Preferred Shares and our Common Shares.

***There may be future sales of additional Common Shares or preferred shares or other dilution of our equity, which may adversely affect the market price of our Common Shares or the Series A Preferred Shares.***

We are not restricted from issuing additional Common Shares or preferred shares, including any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Shares or preferred shares or any substantially similar securities. The per share value of our Common Shares or the Series A Preferred Shares could decline as a result of sales by us of a large number of Common Shares or preferred shares or similar securities in the market or the perception that such sales could occur.

### **Risks Specific to the Series A Preferred Shares**

***An active trading market for the Series A Preferred Shares does not currently exist and may not develop.***

The Series A Preferred Shares are not currently listed on any national securities exchange and we do not anticipate listing the Series A Preferred Shares on a national securities exchange unless we are requested to do so by the U.S. Treasury pursuant to the Securities Purchase Agreement between us and the U.S. Treasury. There can be no assurance that an active trading market for the Series A Preferred Shares will develop, or, if developed, that an active trading market will be maintained. If an active market is not developed or sustained, the market value and liquidity of the Series A Preferred Shares may be adversely affected.

***The Series A Preferred Shares may be junior in rights and preferences to preferred shares we may issue in the future.***

Subject to approval by the holders of at least 66 2/3% of the Series A Preferred Shares then outstanding, voting together as a separate class, we may issue preferred shares in the future, the terms of which are expressly senior to the Series A Preferred Shares. The terms of any such future preferred shares expressly senior to the Series A Preferred Shares may restrict dividend payments on the Series A Preferred Shares. For example, the terms of any such senior preferred shares may provide that, unless full dividends for all of our outstanding preferred shares senior to the Series A Preferred Shares have been paid for the relevant periods, no dividends will be paid on the Series A Preferred Shares, and no Series A Preferred Shares may be repurchased, redeemed or otherwise acquired by us. This could result in dividends on the Series A Preferred Shares not being paid when contemplated. In addition, in the event of our liquidation, dissolution or winding-up, the terms of the senior preferred shares may prohibit us from making payments on the Series A Preferred Shares until all amounts due to holders of the senior preferred shares in such circumstances are paid in full.

**Table of Contents** ***Holders of the Series A Preferred Shares have limited voting rights.***

Until and unless we are in arrears on our dividend payments on the Series A Preferred Shares for six quarterly dividend periods, whether or not consecutive, the holders of the Series A Preferred Shares will have no voting rights except with respect to certain fundamental changes in the terms of the Series A Preferred Shares and certain other matters and except as may be required by Ohio law. If dividends on the Series A Preferred Shares are not paid in full for six quarterly dividend periods, whether or not consecutive, the total number of positions on the Park Board of Directors will automatically increase by two and the holders of the Series A Preferred Shares, acting as a class with any other parity securities having similar voting rights, will have the right to elect two individuals to serve in the new director positions. This right and the terms of such directors will end when we have paid in full all accrued and unpaid dividends for all past dividend periods. See the discussion under the caption **DESCRIPTION OF SERIES A PREFERRED SHARES Voting Rights Election of Two Directors upon Non-Payment of Dividends**. Based on the current number of members of the Park Board of Directors, directors elected by the holders of the Common Shares would have a controlling majority of the Board and would be able to take any action approved by them notwithstanding any objection by the directors elected by the holders of the Series A Preferred Shares.

***If we are unable to redeem the Series A Preferred Shares after five years, the cost of this capital to us will increase substantially.***

If we are unable to redeem the Series A Preferred Shares prior to February 15, 2014, the cost of this capital to us will increase substantially on that date, from 5.0% per annum to 9.0% per annum. See the discussion under the caption **DESCRIPTION OF SERIES A PREFERRED SHARES Dividends Payable on Series A Preferred Shares**. Depending on our financial condition at the time, this increase in the annual dividend rate on the Series A Preferred Shares could have a material negative effect on our liquidity.

**Risk Specific to the Common Shares**

***The Series A Preferred Shares impact net income available to the holders of our Common Shares and earnings per Common Share, and the Warrant we issued to the U.S. Treasury may be dilutive to holders of our Common Shares.***

The dividends declared and the accretion of discount on the Series A Preferred Shares will reduce the net income available to holders of our Common Shares and our earnings per Common Share. The Series A Preferred Shares will also receive preferential treatment in the event of liquidation, dissolution or winding up of Park. Additionally, the ownership interest of the existing holders of our Common Shares will be diluted to the extent the Warrant we issued to the U.S. Treasury in conjunction with the sale to the U.S. Treasury of the Series A Preferred Shares is exercised. The Common Shares underlying the Warrant represent approximately 1.60% of our Common Shares outstanding as of January 16, 2009 (including the Common Shares issuable upon exercise of the Warrant in the total Common Shares outstanding). Although the U.S. Treasury has agreed not to vote any of the Common Shares it receives upon exercise of the Warrant, a transferee of any portion of the Warrant or of any Common Shares acquired upon exercise of the Warrant is not bound by this restriction.

**OUR COMPANY**

We are a bank holding company headquartered in Newark, Ohio. Together with our subsidiaries, we consist of 14 community banking divisions, a data processing and information technology division, two specialty finance companies and a title company. Our Ohio-based banking operations are conducted through 128 offices across 28 Ohio counties and one Kentucky county through our subsidiary The Park National Bank and its divisions which include Fairfield National Bank, Richland Bank, Century National Bank, First-Knox National Bank, Farmers and Savings Bank, United Bank, Second National Bank, Security National Bank, Unity National Bank, Citizens National Bank and The Park National Bank of Southwest Ohio & Northern Kentucky. Our other banking subsidiary is Vision Bank (headquartered in Panama City, Florida) and its Vision Bank Division (of Gulf Shores, Alabama), which conduct operations through 18 offices across six counties in Florida and one Alabama county. Our banking subsidiaries engage in the commercial banking and trust business primarily in small and medium population Ohio communities and in Gulf Coast communities in Alabama and the Florida panhandle. Park's other subsidiaries include Scope Leasing, Inc. (d.b.a. Scope Aircraft Finance), Guardian Finance Company and Park Title Agency, and they operate through an aggregate of eight offices in Ohio.





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We were incorporated under the laws of the State of Ohio, in 1992. Our principal executive offices are located at 50 North Third Street, Newark, Ohio 43055, and our telephone number is (740) 349-8451. Our Internet site can be accessed at <http://www.parknationalcorp.com>. Information contained in our Internet site does not constitute part of, and is not incorporated into, this prospectus.

At September 30, 2008, we had consolidated total assets of approximately \$6.8 billion, total loans of approximately \$4.5 billion, total deposits of approximately \$4.8 billion and total shareholders' equity of approximately \$530 million.

**RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED SHARE DIVIDENDS**

The following table shows the ratios of earnings to fixed charges for Park, which includes our subsidiaries, on a consolidated basis for the periods indicated:

	<b>For the Nine Months Ended September 30, 2008</b>	<b>2007</b>	<b>For the Year Ended December 31,</b>			
		<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	
<b>Ratio of earnings to fixed charges <sup>(1)</sup></b>						
Excluding Interest on Deposits	1.64	2.12	4.36	4.61	7.80	10.01
Including Interest on Deposits	1.22	1.31	2.09	2.44	3.19	2.98

(1) For purposes of computing the ratios, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on borrowings and long-term debt, including/excluding interest on deposits, and one-third of rental expense, which we believe is representative of the interest factor.

No Series A Preferred Shares, or any other class of preferred shares of Park, were outstanding during the years ended December 31, 2007, 2006, 2005, 2004 and 2003, or during the nine months ended September 30, 2008, and we did not pay preferred share dividends during these periods. Therefore, the ratios of earnings to combined fixed charges and preferred share dividends are not different from the ratios of earnings to fixed charges presented above.

**USE OF PROCEEDS**

We will not receive any of the proceeds from the sale by the selling securityholders of the securities offered by this prospectus or any accompanying prospectus supplement. If the holder of the Warrant does not elect a cashless exercise, we may receive proceeds from the exercise of some or all of the Warrant, which we will use for general corporate purposes. See the discussion in the section captioned **DESCRIPTION OF WARRANT TO PURCHASE COMMON SHARES Exercise of the Warrant.**

#### **CAPITAL STOCK OF PARK**

Under our Articles of Incorporation, as amended (the Articles ), we are authorized to issue up to 20,000,000 Common Shares and up to 200,000 preferred shares, no par value per share. As of January 16, 2009, we had 13,971,727 Common Shares outstanding and 100,000 Series A Preferred Shares outstanding. See the description of the Common Shares in the section captioned **DESCRIPTION OF COMMON SHARES** and the description of the Series A Preferred Shares in the section captioned **DESCRIPTION OF SERIES A PREFERRED SHARES.**

The remaining 100,000 authorized but unissued preferred shares are typically referred to as blank check preferred shares. This term refers to preferred shares for which the rights and restrictions are determined by the board of directors of a corporation at the time the preferred shares are issued. Under our Articles, our Board of Directors has the authority, without any further shareholder vote or action, to issue the remaining preferred shares in one or more series, from time to time, with full or limited voting power, or without voting power, and with all designations, preferences and relative, participating,

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optional or other special rights and privileges of, and qualifications, limitations or restrictions upon, the preferred shares, as may be provided in the amendment or amendments to our Articles adopted by our Board of Directors. The authority of our Board of Directors includes, but is not limited to, the determination or fixing of the following with respect to preferred shares of any series:

the division of the preferred shares into series and the designation and authorized number of preferred shares (up to the number of preferred shares authorized) in each series;

the dividend rate and whether dividends are to be cumulative;

whether preferred shares are to be redeemable, and, if so, whether redeemable for cash, property or rights;

the liquidation rights to which the holders of preferred shares will be entitled, and the preferences, if any;

whether the preferred shares will be subject to the operation of a sinking fund, and, if so, upon what conditions;

whether the preferred shares will be convertible into or exchangeable for shares of any other class or of any other series of any class of capital stock and the terms and conditions of the conversion or exchange;

the voting rights of the preferred shares, which may be full, limited or denied, except as otherwise required by law; provided that the voting rights of any series of preferred shares may not be greater than the voting rights of our Common Shares, except to the extent specifically required with respect to any series of preferred shares which may be designated for issuance to the U.S. Treasury under the Capital Purchase Program (i.e., the Series A Preferred Shares issued to the U.S. Treasury);

the preemptive rights, if any, to which the holders of preferred shares will be entitled and any limitations thereon;

whether the issuance of any additional shares, or of any shares of any other series, will be subject to restrictions as to issuance, or as to the powers, preferences or rights of these other series; and

any other relative, participating, optional or other special rights and privileges, and qualifications, limitations or restrictions.

**DESCRIPTION OF SERIES A PREFERRED SHARES**

The following is a brief description of the terms of the Series A Preferred Shares that may be resold by the selling securityholders. This summary does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to our Articles, including the Certificate of Amendment by Directors to Articles with respect to the Series A Preferred Shares, copies of which have been filed with the SEC and are also available upon request from us.

**General**

Our Board of Directors has designated 100,000 of our preferred shares as Series A Preferred Shares, all of which were issued to the U.S. Treasury in a transaction exempt from the registration requirements of the Securities Act. The issued and outstanding Series A Preferred Shares are validly issued, fully paid and nonassessable.

**Dividends Payable on Series A Preferred Shares**

Holders of Series A Preferred Shares are entitled to receive if, as and when declared by our Board of Directors or a duly authorized committee of the Board of Directors, out of assets legally available for payment, cumulative cash dividends at a rate per annum of 5% per share on a liquidation preference of \$1,000 per Series A Preferred Share from December 23, 2008 to, but excluding, February 15, 2014. From and after February 15, 2014, holders of Series A Preferred Shares are entitled to receive cumulative cash dividends at a rate per annum of 9% per share on a liquidation preference of \$1,000 per Series A Preferred Shares with respect to each Dividend Period thereafter.



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Dividends are payable quarterly in arrears on each February 15, May 15, August 15 and November 15 (each, a Dividend Payment Date), starting with February 15, 2009. If any Dividend Payment Date is not a business day, then the next business day will be the applicable Dividend Payment Date, and no additional dividends will accrue as a result of the applicable postponement of the Dividend Payment Date. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a Dividend Period, provided that the initial Dividend Period will be the period from and including December 23, 2008 to, but excluding, the next Dividend Payment Date. Dividends payable during any Dividend Period are computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on any date prior to the end of a Dividend Period, and for the initial Dividend Period, will be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends payable with respect to the Series A Preferred Shares are payable to holders of record of Series A Preferred Shares on the date that is the 15<sup>th</sup> calendar day immediately preceding the applicable Dividend Payment Date or such other record date as our Board of Directors or any duly authorized committee of the Board of Directors determines, so long as such record date is not more than 60 nor less than 10 days prior to the applicable Dividend Payment Date.

If we determine not to pay any dividend or a full dividend with respect to the Series A Preferred Shares, we are required to provide written notice to the holders of Series A Preferred Shares prior to the applicable Dividend Payment Date.

We are subject to various regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The Federal Reserve Board is authorized to determine, under certain circumstances relating to our financial condition, that the payment of dividends would be an unsafe or unsound practice and to prohibit the payment thereof. In addition, we are subject to Ohio state laws relating to the payment of dividends.

We are also subject to the contractual restrictions described in the risk factor captioned *If we defer payments of interest on our outstanding junior subordinated notes or if certain defaults relating to those junior subordinate notes occur, we will be prohibited from declaring or paying dividends or distributions on, from redeeming or repurchasing, and from making liquidation payments with respect to, the Series A Preferred Shares and our Common Shares.*

Our ability to obtain funds for the payment of dividends and for other cash requirements is largely dependent on the amount of dividends which may be declared by our banking subsidiaries. Dividend payments from our banking subsidiaries are subject to legal and regulatory limitations, generally based on net income and retained earnings. The ability of our banking subsidiaries to pay dividends to us is also subject to their profitability, financial condition, capital expenditures and other cash flow requirements and contractual obligations. Payments of dividends by one of our banking subsidiaries may be restricted at any time at the discretion of the applicable regulatory authorities, if they deem such dividends to constitute an unsafe and/or an unsound banking practice.

**Priority of Dividends and Payments on Liquidation**

With respect to the payment of dividends and the amounts to be paid upon liquidation, the Series A Preferred Shares will rank:

senior to our Common Shares and any other class or series of stock the terms of which expressly provide that it ranks junior to the Series A Preferred Shares as to dividend rights and/or rights on liquidation, dissolution or winding up of Park ( Junior Stock ); and

at least equally with any other class or series of stock the terms of which do not expressly provide that it ranks senior or junior to the Series A Preferred Shares as to dividend rights and/or rights on liquidation, dissolution or winding up of Park ( Parity Stock ).

So long as any Series A Preferred Shares remain outstanding, unless all accrued and unpaid dividends on the Series A Preferred Shares for all prior Dividend Periods have been paid or are contemporaneously declared and paid in full, no dividend whatsoever will be paid or declared on our Common Shares, other Junior Stock or Parity Stock, other than a dividend payable solely in Common Shares. We and our subsidiaries also may not purchase, redeem or

otherwise acquire for consideration any of our Common Shares, other Junior Stock or Parity Stock, unless we have declared and paid in full all accrued and unpaid dividends on the Series A Preferred Shares for all prior Dividend Periods, other than:

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purchases, redemptions or other acquisitions of our Common Shares or other Junior Stock in connection with the administration of our employee benefit plans in the ordinary course of business (including purchases pursuant to a publicly announced repurchase plan up to the increase in diluted shares outstanding resulting from the grant, vesting or exercise of equity-based compensation) and consistent with past practice;

purchases or other acquisitions by a broker-dealer subsidiary of Park solely for the purpose of market-making, stabilization or customer facilitation transactions in Junior Stock or Parity Stock in the ordinary course of its business;

purchases by a broker-dealer subsidiary of Park for resale pursuant to an offering by Park of our capital stock that is underwritten by the related broker-dealer subsidiary;

any dividends or distributions of rights or Junior Stock in connection with a shareholders' rights plan or redemptions or repurchases of rights pursuant to any shareholders' rights plan;

acquisition of record ownership of Junior Stock or Parity Stock for the beneficial ownership of any other person who is not Park or a subsidiary of Park, including as trustee or custodian; and

the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock or Junior Stock but only to the extent that such acquisition is required pursuant to binding contractual agreements entered into before December 23, 2008 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Shares.

If we repurchase Series A Preferred Shares from a holder other than the U.S. Treasury, we must offer to repurchase a ratable portion of the Series A Preferred Shares then held by the U.S. Treasury.

On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series A Preferred Shares and any other Parity Stock, all dividends paid or declared for payment on that Dividend Payment Date (or, with respect to Parity Stock with a different dividend payment date, on the applicable dividend date therefor falling within the Dividend Period and related to the Dividend Payment Date for the Series A Preferred Shares), with respect to the Series A Preferred Shares and any other Parity Stock, will be declared ratably among the holders of any such shares who have the right to receive dividends, in proportion to the respective amounts of the undeclared and unpaid dividends relating to the Dividend Period.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by our Board of Directors (or a duly authorized committee of the Board of Directors) may be declared and paid on our Common Shares and any other Junior Stock from time to time out of any funds legally available for such payment, and the holders of Series A Preferred Shares will not be entitled to participate in any such dividend.

**Redemption**

The Series A Preferred Shares may not be redeemed prior to February 15, 2012 unless we have received aggregate gross proceeds from one or more qualified equity offerings (as described below) of not less than \$25,000,000, which equals 25% of the aggregate liquidation amount of the Series A Preferred Shares on the date of issuance to the U.S. Treasury. In such a case, we may redeem the Series A Preferred Shares, subject to the approval of the Federal Reserve Board, in whole or in part, upon notice as described below, up to a maximum amount equal to the aggregate net cash proceeds received by us from such qualified equity offerings. A qualified equity offering is a sale and issuance for cash by us, to persons other than Park or our subsidiaries after December 23, 2008, of perpetual preferred shares, Common Shares or a combination thereof, that in each case qualify and may be included in Tier 1 capital of Park at the time of issuance under the applicable risk-based capital guidelines of the Federal Reserve Board. Qualified equity offerings do not include issuances made in consideration for other securities (e.g. in connection with a business combination transaction), issuances of trust preferred securities or other Tier 1 capital, and sales and issuances of Common Shares and/or perpetual preferred shares made pursuant to agreements or arrangements entered into, or pursuant to financing plans that were publicly announced, on or prior to October 13, 2008.

After February 15, 2012, the Series A Preferred Shares may be redeemed at any time, subject to the approval of the Federal Reserve Board, in whole or in part, subject to notice as described below.



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In any redemption, the redemption price is an amount equal to the per share liquidation amount plus accrued and unpaid dividends to but excluding the date of redemption.

The Series A Preferred Shares will not be subject to any mandatory redemption, sinking fund or similar provisions. Holders of Series A Preferred Shares have no right to require the redemption or repurchase of the Series A Preferred Shares.

If fewer than all of the outstanding Series A Preferred Shares are to be redeemed, the Series A Preferred Shares to be redeemed will be selected either *pro rata* from the holders of record of Series A Preferred Shares in proportion to the number of Series A Preferred Shares held by those holders or in such other manner as our Board of Directors or a duly authorized committee thereof may determine to be fair and equitable.

We will mail notice of any redemption of Series A Preferred Shares by first class mail, postage prepaid, addressed to the holders of record of the Series A Preferred Shares to be redeemed at their respective last addresses appearing on our books. This mailing will be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed or otherwise given as described in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives the notice, and failure duly to give the notice by mail, or any defect in the notice or in the mailing of the notice, to any holder of Series A Preferred Shares designated for redemption will not affect the redemption of any other Series A Preferred Shares. Each notice of redemption will set forth the applicable redemption date, the redemption price, the place where certificates for Series A Preferred Shares are to be surrendered for payment of the redemption price, and the number of Series A Preferred Shares to be redeemed (and, if less than all Series A Preferred Shares held by the applicable holder, the number of Series A Preferred Shares to be redeemed from the holder).

Series A Preferred Shares that are redeemed, repurchased or otherwise acquired by us will revert to authorized but unissued preferred shares.

We are also subject to the contractual restrictions described in the risk factor captioned *If we defer payments of interest on our outstanding junior subordinated notes or if certain defaults relating to those junior subordinate notes occur, we will be prohibited from declaring or paying dividends or distributions on, from redeeming or repurchasing, and from making liquidation payments with respect to, the Series A Preferred Shares and our Common Shares.*

### **Liquidation Rights**

In the event that we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of Series A Preferred Shares will be entitled to receive an amount per share, referred to as the total liquidation amount, equal to the fixed liquidation preference of \$1,000 per share, plus any accrued and unpaid dividends, whether or not declared, to the date of payment. Holders of the Series A Preferred Shares will be entitled to receive the total liquidation amount out of our assets that are available for distribution to shareholders, after payment or provision for payment of our debts and other liabilities but before any distribution of assets is made to holders of our Common Shares or any other shares ranking, as to that distribution, junior to the Series A Preferred Shares.

If our assets are not sufficient to pay the total liquidation amount in full to all holders of Series A Preferred Shares and all holders of any shares of outstanding Parity Stock, the amounts paid to the holders of Series A Preferred Shares and other shares of Parity Stock will be paid *pro rata* in accordance with the respective total liquidation amount for those holders. If the total liquidation amount per share of Series A Preferred Shares has been paid in full to all holders of Series A Preferred Shares and the corresponding amounts payable with respect to other shares of Parity Stock has been paid in full, the holders of our Common Shares or any other shares ranking, as to such distribution, junior to the Series A Preferred Shares will be entitled to receive all of our remaining assets according to their respective rights and preferences.

For purposes of the liquidation rights, neither the sale, lease, conveyance, exchange or transfer of all or substantially all of our property and assets, nor the consolidation or merger by us with or into any other entity or by another entity with or into us, will constitute a liquidation, dissolution or winding-up of our affairs.

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We are also subject to the contractual restrictions described in the risk factor captioned *If we defer payments of interest on our outstanding junior subordinated notes or if certain defaults relating to those junior subordinate notes occur, we will be prohibited from declaring or paying dividends or distributions on, from redeeming or repurchasing, and from making liquidation payments with respect to, the Series A Preferred Shares and our Common Shares.*

**Voting Rights**

Except as indicated be