

Oak Valley Bancorp
Form DEF 14A
May 09, 2013

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Oak Valley Bancorp
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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Fee paid previously with preliminary materials.

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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

125 North Third Avenue

Oakdale, California 95361

(209) 848-2265

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 18, 2013

The Annual Meeting of Shareholders of Oak Valley Bancorp, a California corporation (Oak Valley or the Company), will be held at **Oak Valley Bancorp Headquarters at 338 E F Street, Oakdale, California 95361 on June 18, 2013 2:00 p.m. Pacific Daylight Time**, to consider and vote on the following matters:

1. The election of the following four (4) directors nominees as described within the Proxy Statement:

James L. Gilbert

Janet S. Pelton

Roger M. Schrimp

Danny L. Titus

2. The ratification of the appointment of Moss Adams, LLP as the Company s independent registered public accounting firm;
3. A non-binding advisory vote on executive compensation of the Company s senior executive officers;

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4. A non-binding advisory vote on the frequency of the advisory vote on the compensation of our named executive officers;

5. To amend the Company's Bylaws to change the date of the annual meeting of shareholders;

- 6a. To amend the Company's Bylaws to include corporate conversion as an action for which the meeting notice must state general nature of proposal.

- 6b. To amend the Company's Bylaws to provide for electronic delivery of notice of shareholder meetings.

- 6c. To amend the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at annual meetings.

- 6d. To amend the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at special meetings.

- 6e. To amend the Company's Bylaws to enhance the qualifications for director nominees and the procedures for presentation of business at shareholder meetings.

7. To amend the Company's Bylaws to increase the fixed number of directors on the Board of Directors and delete a moot provision regarding the authorized number of directors;

8. To amend the Company's Bylaws to update provisions regarding the election and term of office of directors;

9. To amend the Company's Bylaws to update provisions regarding notices for and conduct of Board meetings;

10. To amend the Company's Bylaws to update provisions regarding director qualifications; and

11. To transact such other business as may properly come before the Annual Meeting of Shareholders, and any adjournment or postponement.

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The Board of Directors has fixed the close of business day on May 2, 2013, as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 18, 2013

This communication presents only an overview of the more complete proxy materials, which includes the Company's 2012 Annual Report to Shareholders, Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 28, 2013, Notice of Annual Meeting, Proxy Statement, and Proxy Card (collectively, Proxy Materials), which are available for the public at www.edocumentview.com/OVLY. We encourage you to access and review all of the important information contained in the Proxy Materials before voting.

PLEASE NOTE YOU CANNOT VOTE BY RETURNING THIS NOTICE. To vote your shares you must vote online, by telephone, or request a paper copy of the Proxy Materials to receive a physical proxy card. There is no charge to you for requesting a paper copy of the Proxy Materials. Please make your request for a paper copy using one of the following methods as instructed below on or before June 8, 2013 to facilitate timely delivery.

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
From the Internet:	Go to www.investorvote.com , click Request Materials	Go to www.proxyvote.com by following the instructions on the screen.
By Email	Write to investorvote@computershare.com with subject line: Proxy Materials Oak Valley Bancorp, your 12-Digital Control Number in the subject line.	Send a blank email to sendmaterial@proxyvote.com with subject line: Proxy Materials Oak Valley Bancorp, your 12-Digital Control Number in the subject line.

Your Board of Director recommends that you vote:

- **FOR** the election of each of the Director nominees listed in the Proxy Statement under **PROPOSAL 1 ELECTION OF DIRECTORS** ;
- **FOR** the ratification of Moss Adams, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013 under **PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM** ;
- **FOR** the non-binding advisory resolution to approve the compensation of the Company's Named Executive Officers under **PROPOSAL 3 NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION** ;
- **FOR** the non-binding advisory resolution to approve the compensation of the Company's Named Executive Officers under **PROPOSAL 4 NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS** ;

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- **FOR** the amendment of the Company's Bylaws to change the date of the annual meeting of shareholders under **PROPOSAL 5 CHANGE OF DATE OF ANNUAL MEETING OF SHAREHOLDERS** ;
- **FOR** the amendment of the Company's Bylaws to include corporate conversion as an action for which the meeting notice must state general nature of proposal under **PROPOSAL 6A - INCLUSION OF CORPORATE CONVERSION AS ACTION FOR WHICH MEETING NOTICE MUST STATE GENERAL NATURE OF PROPOSAL** ;
- **FOR** the amendment of the Company's Bylaws to provide for electronic delivery of notice of shareholder meetings under **PROPOSAL 6B ELECTRONIC DELIVERY OF NOTICE OF SHAREHOLDER MEETINGS** ;
- **FOR** the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at annual meetings under **PROPOSAL 6C NOTICE PROCEDURE FOR DIRECTOR NOMINATION AND SUBMISSION OF OTHER PROPOSALS BY SHAREHOLDERS AT ANNUAL MEETINGS** ;
- **FOR** the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at special meetings under **PROPOSAL 6D - NOTICE PROCEDURE FOR DIRECTOR NOMINATION AND SUBMISSION OF OTHER PROPOSALS BY SHAREHOLDERS AT SPECIAL MEETINGS** ;
- **FOR** the amendment of the Company's Bylaws to enhance the qualifications for director nominees and the procedures for presentation of business at shareholder meetings under **PROPOSAL 6E QUALIFICATIONS FOR DIRECTOR NOMINEES AND PROCEDURES FOR PRESENTATION OF BUSINESS AT SHAREHOLDER MEETINGS** ;
- **FOR** the amendment of the Company's Bylaws to increase the fixed number of directors on the Board of Directors and delete a moot provision regarding the authorized number of directors under **PROPOSAL 7 INCREASE OF FIXED NUMBER OF DIRECTORS AND DELETION OF MOOT PROVISION** ;
- **FOR** the amendment of the Company's Bylaws to update provisions regarding the election and term of office of directors under **PROPOSAL 8 UPDATE OF PROVISIONS REGARDING ELECTION AND TERM OF OFFICE OF DIRECTORS** ;
- **FOR** the amendment of the Company's Bylaws to update provisions regarding notices for and conduct of Board meetings under **PROPOSAL 9 UPDATE OF PROVISIONS REGARDING NOTICES FOR AND CONDUCT OF BOARD MEETINGS** ; and
- **FOR** the amendment of the Company's Bylaws to update provisions regarding director qualifications under **PROPOSAL 10 UPDATE OF PROVISIONS REGARDING DIRECTOR QUALIFICATIONS.**

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By Order of the Board of Directors,

/s/ Richard A. McCarty
Richard A. McCarty
Secretary

Date: May 8, 2013

**PROXY STATEMENT
OF
OAK VALLEY BANCORP**

ANNUAL MEETING OF SHAREHOLDERS OF

OAK VALLEY BANCORP

TO BE HELD ON JUNE 18, 2013

GENERAL INFORMATION FOR SHAREHOLDERS

The following information is furnished in connection with the solicitation of the accompanying proxy by and on behalf of the Board of Directors of Oak Valley Bancorp (the Company) for use at the Annual Meeting of Shareholders to be held at Oak Valley Bancorp Headquarters at 338 E F Street, Oakdale, California 95361, on June 18, 2013, at 2:00 p.m.

Shareholders Entitled to Vote

Only shareholders of record at the close of business on May 2, 2013, (the Record Date) will be entitled to notice of, and to vote, at the Annual Meeting. On the Record Date, the Company had outstanding 7,914,730 shares of its common stock, of which 7,914,730 will be entitled to vote at the Annual Meeting and any adjournments thereof. This Proxy Statement will be first mailed to shareholders on or about May 8, 2013.

Vote By Proxy

Because many of the Company's shareholders are not expected to attend the Annual Meeting in person, the Company solicits proxies so that each shareholder is given an opportunity to vote at the Annual Meeting. Shares represented by a duly executed proxy in the accompanying form of proxy card, received by the Board of Directors prior to the Annual Meeting, will be voted at the Annual Meeting. A shareholder executing and delivering the proxy may revoke the proxy at any time prior to exercise of the authority granted by the proxy by (i) filing with the secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date; or (ii) attending the Annual Meeting and voting in person. A proxy is also revoked when written notice of the death or incapacity of the maker of the proxy is received by the Company before the vote is counted. If a shareholder specifies a choice with respect to any matter on the accompanying form of proxy, the shares will be voted accordingly. If no specification is made, the shares represented by the proxy will be voted in favor of the specified proposal.

Methods of Voting

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Shareholders may vote on matters that are properly presented at the 2013 Annual Meeting in one of the following four ways:

- By submitting your vote electronically via the Internet at **www.investorvote.com**;
- By submitting your vote telephonically;
- By completing the proxy card and returning it in a pre-paid envelope provided by the Company if you have requested a paper copy of the Proxy Materials; or
- By attending the 2013 Annual Meeting and casting your vote in person.

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For the 2013 Annual Meeting, the Company is offering registered shareholders the opportunity to vote their shares electronically through the Internet or by telephone. The telephone and Internet voting instructions are provided in the proxy card as well as in the Proxy Notice dated May 8, 2013. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions, and to confirm that shareholders' instructions have been recorded properly. Shareholders voting through the Internet should understand that they may bear certain costs associated with Internet access, such as usage charges from their Internet service providers.

If a shareholder chooses to submit the vote by mail instead, the shareholder should request a paper copy of the Proxy Materials, and Company will send the shareholder the proxy card along with the rest of the Proxy Materials as well as a pre-paid envelope. The shareholder then would cast the shareholder's vote by signing and returning the proxy card in the pre-paid envelope to the Company. There is no charge to a shareholder for requesting a paper copy of the Proxy Materials. If you wish to receive a paper copy of the Proxy Materials, you must request a copy as instructed below on or before June 8, 2013 to ensure timely delivery.

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
From the Internet:	Go to www.investorvote.com , click Request Materials	Go to www.proxyvote.com by following the instructions on the screen.
By Email	Write to investorvote@computershare.com with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to sendmaterial@proxyvote.com with your 12-Digital Control Number in the subject line.

Method of Counting Votes

A holder of common stock of the Company is entitled to one vote for each share held of record by such holder. No holder of any class of stock of the Company is be entitled to cumulate votes in connection with any election of directors of the Company.

The proxy holders, Ronald Martin and Roger Schrimp, both of whom are directors of the Company, will vote all shares of Common Stock represented by the proxies unless authority to vote such shares is withheld or the proxy is revoked. However, the proxy holders cannot vote the shares of the shareholder unless the shareholder signs and returns a proxy card. Proxies also confer upon the proxy holders discretionary authority to vote the shares represented thereby on any matter that was not known at the time this Proxy Statement was mailed, if such matter is properly presented for action at the Annual Meeting, including any motion to adjourn and any procedural matter pertaining to the conduct of the Annual Meeting. The total expense of soliciting the proxies in the accompanying form will be borne by the Company. While proxies are normally solicited by mail, proxies also may be solicited directly by officers, directors and employees of the Company or its subsidiary, Oak Valley Community Bank (the Bank). Such officers, directors and employees will not be compensated for this service beyond normal compensation to them.

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All abstentions and broker non-votes are included in the determination of the number of shares present and voting for the purpose of determining whether a quorum is present, and each is tabulated separately. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters, if the beneficial owner of the shares has not provided instructions to the broker on how to vote such shares. A broker non-vote occurs when a broker does not vote on a particular matter because the broker has not received instructions from the beneficial owner of the shares and does not have the discretion to vote such shares. Each of (i) the non-binding advisory vote on executive compensation, and (ii) the ratification of the selection of the Company's independent registered public accounting firm, is a routine matter on which brokers have the discretion to vote if the owner of shares has not provided voting instructions. The election of directors is a non-routine matter on which a broker may not vote unless the beneficial owner of shares has provided voting instructions.

Unless contrary instructions are indicated on the proxy, all shares represented by valid Proxies received pursuant to this solicitation (and not revoked before they are voted) will be voted as follows:

- **FOR** the election of all nominees for director named herein (Proposal No. 1);

- **FOR** ratification of the selection of Moss Adams, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013 (Proposal No. 2);

- **FOR** the non-binding advisory resolution to approve executive compensation (Proposal No. 3);

- **FOR** the non-binding advisory vote on the frequency of the advisory vote on the compensation of our named executive officers (Proposal No. 4);

- **FOR** the amendment to the Company's Bylaws to change the date of the annual meeting of shareholders (Proposal No. 5);

- **FOR** the amendment of the Company's Bylaws to include corporate conversion as an action for which the meeting notice must state general nature of proposal (Proposal No. 6a);.

- **FOR** the amendment of the Company's Bylaws to provide for electronic delivery of notice of shareholder meetings (Proposal No. 6b);

- **FOR** the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at annual meetings (Proposal No. 6c);

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- **FOR** the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at special meetings (Proposal No. 6d);
- **FOR** the amendment of the Company's Bylaws to enhance the qualifications for director nominees and the procedures for presentation of business at shareholder meetings (Proposal No. 6e);
- **FOR** the amendment of the Company's Bylaws to increase the fixed number of directors on the Board of Directors and delete a moot provision regarding the authorized number of directors (Proposal No. 7);
- **FOR** the amendment of the Company's Bylaws to update provisions regarding the election and term of office of directors (Proposal No. 8);
- **FOR** the amendment of the Company's Bylaws to update provisions regarding notices for and conduct of Board meetings (Proposal No. 9); and
- **FOR** the amendment of the Company's Bylaws to update provisions regarding director qualifications (Proposal No. 10).

In the event a shareholder specifies a different choice on the proxy, the shareholder's shares will be voted in accordance with the specification so made. In addition, such shares will, at the proxy holder's discretion, be voted on such other matters, if any, which may properly come before the Annual Meeting (including any proposal to adjourn the Annual Meeting and any procedural matter pertaining to the conduct of the Annual Meeting). Boxes and a designated blank space are provided on the proxy card for shareholders to mark if they wish either to abstain on one or more of the proposals or to withhold authority to vote for one or more nominees for director.

A copy of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2012 is available at www.edocumentview.com/OVLY, and is incorporated herein by reference. You may request a paper copy of the Annual Report and other Proxy Materials by contacting:

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
From the Internet:	Go to www.investorvote.com , click Request Materials	Go to www.proxyvote.com by following the instructions on the screen.
By Email	Write to investorvote@computershare.com with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to sendmaterial@proxyvote.com with your 12-Digital Control Number in the subject line.

Vote Required For Election of Directors

Four (4) nominees receiving a plurality of the votes cast at the Annual Meeting will be elected as directors. This means that the four (4) nominees who receive the largest number of votes cast are elected as directors. Withholding authority to vote for a director nominee and broker non-votes on the election of directors will not affect the outcome of the election. **Our Board of Directors unanimously recommends that you vote FOR the election of each of its director nominees.**

Ratification of Selection of Independent Accountants

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the selection of Moss Adams LLP as our independent registered public accounting firm for 2013. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the proposal to ratify the appointment of Moss Adams LLP as our independent registered public accounting firm for the year ending December 31, 2013.**

Advisory Proposal on the Company's Executive Compensation

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. Broker non-votes will not affect the outcome of the advisory vote. The results of this voting are not binding on the Board. **Our Board of Directors unanimously recommends that you vote FOR the adoption of an advisory resolution to approve our executive compensation as disclosed in this Proxy Statement.**

Advisory Proposal on the Frequency of the Advisory Vote on the Executive Compensation

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. Broker non-votes will not affect the outcome of the advisory vote. The results of this voting are not binding on the Board. **Our Board of Directors unanimously recommends that you vote FOR the adoption of an advisory resolution to approve the frequency of the advisory vote on our executive compensation as disclosed in this Proxy Statement.**

Amendment to the Company's Bylaws to Change the Date of the Annual Meeting of Shareholders

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment of the Company's Bylaws to change the date of the annual meeting of shareholders.**

Amendment to the Company's Bylaws to Include Corporate Conversion as an Action for which the Meeting Notice must State General Nature of Proposal

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment of the Company's Bylaws to include corporate conversion as an action for which the meeting notice must state general nature of proposal.**

Amendment to the Company's Bylaws to Provide for Electronic Delivery of Notice of Shareholder Meetings

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment of the Company's Bylaws to provide for electronic delivery of notice of shareholder meetings.**

Amendment to the Company's Bylaws to Enhance the Notice Procedure for Director Nomination and Submission of Other Proposals by Shareholders at Annual Meetings

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by shareholders at annual meetings.**

**Amendment to the Company's
Bylaws to Enhance the Notice
Procedure for Director
Nomination and Submission of
Other Proposals by Shareholders
at Special Meetings**

The affirmative vote of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be treated as present and entitled to vote and therefore will have the same effect as a vote against this proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment of the Company's Bylaws to enhance the notice procedure for director nomination and submission of other proposals by sha**