

UNION BANKSHARES CORP
Form 8-K
August 02, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2006

UNION BANKSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction

of incorporation)

0-20293
(Commission File Number)

212 North Main Street

P.O. Box 446

Bowling Green, Virginia 22427

(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (804) 633-5031

54-1598552
(I.R.S. Employer

Identification No.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17 CFR 240.13c-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On July 27, 2006, Union Bank and Trust Company (the *Bank*), and Union Bankshares Corporation (the *Company*) entered into an employment agreement (the *Agreement*) with John C. Neal, effective as of May 1, 2006, pursuant to which the Bank will continue to employ Mr. Neal as President and Chief Executive Officer. The following summary description is qualified in its entirety by reference to the Agreement, which is attached to this Form 8-K as Exhibit 10.1, and is incorporated herein by reference.

The Agreement, which has an initial term of two years, provides that beginning on the commencement of the employment period under the Agreement and on each day thereafter the term of the Agreement will automatically be extended an additional day, unless the Bank gives notice that the employment term will not thereafter be extended.

Under the Agreement, Mr. Neal's initial annual base salary will be \$232,540, which will be reviewed annually by the Board of Directors. Mr. Neal will be entitled to annual cash bonuses and stock-based awards in such amounts as may be determined in accordance with the terms and conditions of the applicable management incentive plan adopted on an annual basis by the Board of Directors.

The Bank may terminate Mr. Neal's employment at any time for *Cause* (as defined in the Agreement) without the Bank or the Company's incurring any additional obligations to him. If the Bank terminates Mr. Neal's employment for any reason other than for *Cause* or if Mr. Neal terminates his employment for *Good Reason* (as defined in the Agreement), the Bank or the Company, as applicable, will generally be obligated to continue to provide the compensation and benefits specified in the Agreement for two years following the date of termination. Upon the termination of his employment, Mr. Neal will be subject to certain noncompetition and nonsolicitation restrictions.

The Agreement will terminate in the event that there is a change in control of the Company, at which time the change in control agreement, dated as of November 1, 2003, between the Company and Mr. Neal will become effective and any termination benefits will be determined and paid solely pursuant to the change in control agreement.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

- 10.1 Employment Agreement, effective as of May 1, 2006, by and between Union Bank and Trust Company, Union Bankshares Corporation, and John C. Neal.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNION BANKSHARES CORPORATION

Date: August 2, 2006

By: /s/ D. Anthony Peay
D. Anthony Peay
Executive Vice President and
Chief Financial Officer