

Oak Valley Bancorp  
Form DEF 14A  
April 30, 2010

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 ☒ X

Filed by a Party other than the Registrant ☐ O

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 Pursuant to §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.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

## Edgar Filing: Oak Valley Bancorp - Form DEF 14A

- (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 10, 2010**

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 Thursday, June 10, 2010 4:00 p.m. Pacific Daylight Time**, for the following purposes:

1. The election of the following nine (9) director nominees as described within the Proxy Statement:

James L. Gilbert

Thomas A. Haidlen

Michael Q. Jones

Roger M. Schrimp

Danny L. Titus

Richard J. Vaughan

Donald L. Barton

Ronald C. Martin

Christopher M. Courtney

## Edgar Filing: Oak Valley Bancorp - Form DEF 14A

2. To ratify the appointment of Moss Adams, LLP as the Company's independent registered public accounting firm;
3. Approval of a non-binding advisory vote on the compensation of the Company's senior executive officers;
4. To transact such other business as may properly come before the Annual Meeting of Shareholders, and any adjournment or postponement.

The Board of Directors has fixed the close of business day on April 12, 2010, 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 MATERIAL FOR THE SHAREHOLDER MEETING TO BE HELD ON JUNE 10, 2010**

This communication presents only an overview of the more complete proxy materials include the Company's 2009 Annual Report, Form 10-K (the "Annual Report"), Notice of Annual Meeting, and Proxy Statement, and Proxy Card ("Proxy Material") which are available for the public at [www.envisionreports.com/OVLY](http://www.envisionreports.com/OVLY). We encourage you to access and review all of the important information contained in the Proxy Material 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 Material to receive a physical proxy card. There is no charge to you for requesting a paper copy of the Proxy Material. Please make your request for a copy using one of the following methods as instructed below on or before May 31, 2010 to facilitate timely delivery.

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
First Class/Registered/Certified Mail:	Computershare Investor Services 250 Royall Street Canton, MA 02021	Not available.
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
By Internet:	From the Internet: Go to <a href="http://www.envisionreports.com/OVLY">www.envisionreports.com/OVLY</a> , click Request Materials	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> by following the instructions on the screen.
By Email	Write to <a href="mailto:investorvote@computershare.com">investorvote@computershare.com</a> with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to <a href="mailto:sendmaterial@proxyvote.com">sendmaterial@proxyvote.com</a> with 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, 2010 under **PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**, and **FOR** approval of a non-binding advisory on the compensation of the Company's Named Executive Officers under **PROPOSAL 3 NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION**.

By Order of the Board of Directors,

Richard A. McCarty  
Secretary

Date: April 30, 2010

**PROXY STATEMENT**

**OF**

**OAK VALLEY BANCORP**

---

**ANNUAL MEETING OF SHAREHOLDERS OF**

**OAK VALLEY BANCORP**

**TO BE HELD ON JUNE 10, 2010**

---

**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 Thursday, June 10, 2010, at 4:00 p.m.

**Shareholders Entitled to Vote**

Only shareholders of record at the close of business on April 12, 2010, (the "Record Date") will be entitled to notice of, and to vote, at the Annual Meeting. On the Record Date, the Company had outstanding 7,681,877 shares of its common stock, of which 7,681,877 will be entitled to vote at the Annual Meeting and any adjournments thereof. This Proxy Statement ("Proxy") will be first mailed to shareholders on or about April 30, 2010.

**Vote By Proxy**

As 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. Shares represented by a duly executed proxy in the accompanying form, 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 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**

Shareholders may vote on matters that are properly presented at the 2010 Annual Meeting in one of the following four ways:

- By submitting your vote electronically via the Internet at **[www.envisionreports.com/OVLY](http://www.envisionreports.com/OVLY)**;
- By submitting your vote telephonically;
- By completing the proxy card and returning it in a pre-paid envelope provided by the Company if you request a paper copy up the Proxy Material one; or
- By attending the 2010 Annual Meeting and casting your vote in person.

For the 2010 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

---

## Edgar Filing: Oak Valley Bancorp - Form DEF 14A

are provided in the Proxy Card as well as in the Proxy Notice dated April 30, 2010. 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 choose to submit the vote by mail instead, he or she should request a paper copy of the Proxy Material, and Company will send you the proxy card along with the rest of the Proxy Material as well as a pre-paid envelope, and you need to cast your vote by signing and returning the Proxy Card in the pre-paid envelope to the Company. There is no charge to you for requesting a copy. Please make your request for a copy as instructed below on or before May 31, 2010 to facilitate timely delivery.

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
First Class/Registered/Certified Mail:	Computershare Investor Services 250 Royall Street Canton, MA 02021	Not available.
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
By Internet:	From the Internet: Go to <a href="http://www.envisionreports.com/OVLY">www.envisionreports.com/OVLY</a> , click Request Materials	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> by following the instructions on the screen.
By Email	Write to <a href="mailto:investorvote@computershare.com">investorvote@computershare.com</a> with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to <a href="mailto:sendmaterial@proxyvote.com">sendmaterial@proxyvote.com</a> with your 12-Digital Control Number in the subject line.

### Method of Counting Votes

Holders of common stock of the Company are entitled to one vote for each share held. No holder of any class of stock of the corporation shall be entitled to cumulate votes in connection with any election of directors of the corporation.

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. Proxy cards 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, which may properly be presented for action at the Annual Meeting, including a motion to adjourn, and with respect to procedural matters 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 may also 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.

Abstentions and broker non-votes are each 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, but not on non-routine matters. A broker non-vote occurs



when a broker does not vote on a particular proposal because the broker does not receive instructions from the

---

## Edgar Filing: Oak Valley Bancorp - Form DEF 14A

beneficial owner and does not have discretionary authority. 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 item. The election of directors is a proposal on which a broker may vote only if the beneficial owner 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;

**FOR** ratification of the selection of Moss Adams, LLP as the Company's independent registered public accounting firm; and

**FOR** the adoption of a non-binding advisory vote approving executive compensation.

In the event a shareholder specifies a different choice on the Proxy, his or her shares will be voted in accordance with the specification so made. In addition, such shares will, at the proxy holders' discretion, be voted on such other matters, if any, which may come before the Meeting (including any proposal to adjourn the 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, 2009 is available at [www.envisionreports.com/OVLY](http://www.envisionreports.com/OVLY), and is incorporated herein by reference. You may request a hard 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:
First Class/Registered/Certified Mail:	Computershare Investor Services 250 Royall Street Canton, MA 02021	Not available.
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
By Internet:	From the Internet: Go to <a href="http://www.envisionreports.com/OVLY">www.envisionreports.com/OVLY</a> , click Request Materials	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> by following the instructions on the screen.
By Email	Write to <a href="mailto:investorvote@computershare.com">investorvote@computershare.com</a> with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to <a href="mailto:sendmaterial@proxyvote.com">sendmaterial@proxyvote.com</a> with your 12-Digital Control Number in the subject line.

### Vote Required

**Election of Directors**

The nine (9) nominees for director are elected by a plurality of votes cast. This means that the 9 nominees who receive the most votes will be elected. So, if you do not vote for a particular nominee, or you indicate **WITHHOLD AUTHORITY** to vote for a particular nominee on your proxy card, your vote will not count either for or against the nominee. Abstentions will not have any effect on the outcome of the vote. Broker non-votes will not count as a vote on the proposal and will not affect the outcome of the vote.

---

**Ratification of Selection of  
Independent Accountants**

The affirmative vote of a majority of the shares entitled to vote present in person or by proxy at the Annual Meeting voting on this proposal is required to ratify the selection of Moss Adams LLP as our independent registered public accounting firm for 2010.

**Approval of an Advisory Proposal on  
the Company's Executive  
Compensation**

The affirmative vote of a majority of the shares entitled to vote present in person or by proxy at the Annual Meeting voting on this proposal is required to approve this proposal. A properly executed proxy marked "abstain" and broker non-votes will have the same effect as a negative vote.

---

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT****Ownership of Securities**

The following table sets forth certain information known to us with respect to the beneficial ownership of our common stock as of December 31, 2009, by:

- Each person known by us to be a beneficial owner of five percent (5%) or more of our common stock;
- Each current director, each of whom is a nominee for election as a director; and
- All current directors and executive officers as a group.

Our common stock is the only class of voting securities outstanding. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting and investment power with respect to the securities. Except as indicated in the notes following the table, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The percentage of beneficial ownership is based on 7,681,877 shares of common stock outstanding as of March 30, 2010. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of our common stock subject to options held by that person that are currently exercisable or will become exercisable within 60 days following March 30, 2010 are deemed outstanding. However, these shares are not deemed outstanding for the purpose of computing the percentage ownership of any other person or entity.

	Common Stock Beneficially Owned (1) on March 30, 2010		
	Shares Beneficially Owned	Vested Option Shares (2)	Percentage of Shares Beneficially Owned (3)
<b>Beneficial Owner</b>			
<i>Five Percent Shareholder: (4)</i>			
Patrick W. Hopper	711,707	N/A	9.26%
<i>Executive Officers and Directors: (5)</i>			
James L. Gilbert	143,656	2,500	1.90%
Thomas A. Haidlen	191,380	3,375	2.54%
Michael Q. Jones	11,520	4,500	0.21%