

Solera National Bancorp, Inc.  
Form DEFN14A  
May 05, 2014  
Table of Contents

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

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

SOLERA NATIONAL BANCORP, INC.  
(Name of Registrant as Specified In Its Charter)

MICHAEL D. QUAGLIANO

ROBERT J. FENTON

LARS JOHNSON

JACKSON LOUNSBERRY

CARLYLE F. GRIFFIN

DREW QUAGLIANO

MELISSA ALLEN  
(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:

Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

(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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

Table of Contents

**MICHAEL D. QUAGLIANO**

ROBERT J. FENTON

LARS JOHNSON

JACKSON LOUNSBERRY

CARLYLE F. GRIFFIN

DREW QUAGLIANO

MELISSA ALLEN

---

**PROXY STATEMENT**

---

**2014 ANNUAL MEETING OF STOCKHOLDERS  
OF  
SOLERA NATIONAL BANCORP, INC.**

---

This proxy statement ( Proxy Statement ) and accompanying **BLUE** proxy form are being furnished to stockholders of Solera National Bancorp, Inc., a Delaware corporation (the Company ), by Michael D. Quagliano (for convenience throughout this Proxy Statement we sometimes refer to Mr. Quagliano as Quagliano, we, our or us ) for use in the solicitation of proxies from you, the holders (the Stockholders ) common stock, par value \$0.01 per share, of the Company (the Common Stock ), in connection with the 2014 Annual Meeting of Stockholders, including any and all adjournments, postponements, continuations or reschedulings thereof, or any other meeting of stockholders held in lieu thereof (the 2014 Annual Meeting ). The 2014 Annual Meeting is scheduled to be held at Pinehurst Country Club, 6255 West Quincy Avenue, Denver, Colorado 80235, on Thursday, May 22, 2014, at 10:00 a.m., local time.

**THIS SOLICITATION IS BEING MADE BY QUAGLIANO AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY (THE BOARD ).**

This Proxy Statement is dated May 5, 2014 and this Proxy Statement and the accompanying **BLUE** proxy form are first being sent or given to holders of Common Stock on or about May 5, 2014.

**Important Notice Regarding the Availability of Proxy Materials  
for the Stockholder Meeting to Be Held on May 22, 2014:  
The proxy materials are available at [www.proxyvote.com](http://www.proxyvote.com).**

---

Table of Contents

We are soliciting proxies in connection with the 2014 Annual Meeting in order to take the following actions:

1. approve an amendment to the Company's Amended and Restated By-Laws of the Company (the By-Laws) to reduce the number of directors serving on the Board to five;
2. elect Lars Johnson, Jackson Lounsberry, Michael D. Quagliano, Carlyle F. Griffin, Drew Quagliano and Melissa Allen (each, a Nominee and, collectively, the Nominees) to serve as directors on the Board until the 2015 Annual Meeting of Stockholders or until their respective successors are duly elected and qualified;
3. approve the Company's proposal to ratify the selection by the Audit Committee of the Board (the Audit Committee) of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014; and
4. transact such other business as may properly come before the 2014 Annual Meeting.

WE URGE YOU TO VOTE THE **BLUE** PROXY FORM FOR THE PROPOSAL TO AMEND THE BYLAWS AND FOR LARS JOHNSON, JACKSON LOUNSBERRY, MICHAEL D. QUAGLIANO, CARLYLE F. GRIFFIN, DREW QUAGLIANO AND MELISSA ALLEN AS DIRECTORS. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS ON THE BLUE PROXY CARD.

The principal executive offices of the Company are located at 319 S. Sheridan Blvd. Lakewood, Colorado 80226. The Company has set the close of business on March 31, 2014 as the record date (the Record Date) for determining the Stockholders entitled to vote at the 2014 Annual Meeting.

According to the Company's Proxy Statement, as of March 31, 2014, there were 2,679,162 shares of Common Stock of the Company issued and outstanding and expected to be entitled to vote on all matters presented at the 2014 Annual Meeting. As of the date hereof, Quagliano is the direct record owner and beneficial owner of 623,970 shares of Common Stock, which represents approximately 23.29% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014).

We intend to vote all of the Common Stock that we beneficially own at the 2014 Annual Meeting **FOR** the proposal to approve an amendment to the Company's By-Laws to reduce the number of directors serving on the Board to five, **FOR** the election of our Nominees, **FOR** the Company's proposal to ratify the selection by the Audit Committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014 and in our discretion with respect to such other business as may properly come before the 2014 Annual Meeting.



## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

### Table of Contents

We are soliciting your vote because we are not satisfied with the Company's performance under the current board of directors. (Seven of the Company's nominees have served on the board since 2006, one has served on the board since 2009, two have served on the board since 2012 and one has served on the board since 2013.) In particular:

- The market price of the Common Stock has declined more than 40% since the Company's initial public offering in 2007, from \$10 per share on March 7, 2007 to \$5.80 per share on April 29, 2014;
- From January 1, 2008 through December 31, 2013, the Company had cumulative losses of approximately \$3.5 million (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- From the Company's inception through December 31, 2013, the Company lost a total of approximately \$8.0 million after giving effect to start-up costs incurred in 2004 through 2006 and partial year operations in 2007 (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- The Company's net loss for the twelve months ended December 31, 2013 was \$656,000, compared to net income of \$281,000 for the twelve months ended December 31, 2012 (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- The Company generated a net loss for the six months ended December 31, 2013 of \$1,276,000 (based on the financial statements included in the Company's Form 10-K for the year ended December 31, 2013 and the Company's Form 10-Q for the quarter ended June 30, 2013);
- The Company incurred \$358,000 in restructuring charges during the fourth quarter of 2013 to terminate a facility lease and suspend plans to convert its Boulder loan production office into a full-service banking facility (as reported in statements included in the Company's Form 10-K). The Company announced on September 12, 2013, that it had reached an agreement to lease office space in the Cherry Creek neighborhood of Denver, Colorado, and announced on July 22, 2013 its desire to open a full-service branch in Boulder, Colorado, and
- For the quarter ended March 31, 2014, the Company generated a net loss of \$369,000, or \$0.14 per share (as reported in the Company's 8-K filed April 29, 2014).

We believe our Nominees would consider strategies and opportunities for improving Company performance and enhancing shareholder value. We urge the Stockholders to support us in this effort by voting **FOR** our Nominees.

This proxy solicitation is being made by Quagliano and *not* on behalf of the Board or the Company's management.

WHETHER OR NOT YOU INTEND TO ATTEND THE 2014 ANNUAL MEETING, YOUR PROMPT ACTION IS IMPORTANT. MAKE YOUR VIEWS CLEAR TO THE COMPANY BY AUTHORIZING A PROXY TO VOTE AS INDICATED ABOVE BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED **BLUE** PROXY FORM TODAY.

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES OF COMMON STOCK YOU OWN.

**IMPORTANT VOTING INFORMATION**

If your shares of Common Stock are held in your own name, please authorize a proxy to vote by signing and returning the enclosed **BLUE** proxy form in the postage-paid envelope provided to you by us or follow the instructions located on the **BLUE** proxy form to vote by telephone or Internet.

If you hold your shares of Common Stock in street name with a bank, brokerage firm, dealer, trust company or other nominee, only they can exercise your right to vote with respect to your shares of Common Stock and only upon receipt of your specific instructions. Accordingly, it is critical that you promptly give instructions to your bank, brokerage firm, dealer, trust company or other nominee to ensure that a **BLUE** proxy form is submitted on your behalf. Please follow the instructions to authorize a proxy to vote on the enclosed **BLUE** proxy form provided to you by us. If your bank, brokerage firm, dealer, trust company or other nominee provides for voting instructions to be delivered to them by Internet or telephone, instructions will be included with the enclosed **BLUE** proxy form. We urge you to confirm in writing your instructions to the person responsible for your account and to provide a copy of those instructions to us, care of Advantage Proxy, Inc., P.O. Box 13581, Des Moines, WA 98198, so that we may be aware of all instructions given and can attempt to ensure that such instructions are followed.

PLEASE **DO NOT** RETURN ANY **WHITE** PROXY CARD YOU MAY RECEIVE FROM THE COMPANY OR ANY **GOLD** PROXY CARD YOU MAY RECEIVE FROM KATHLEEN STOUT OR OTHERWISE AUTHORIZE A PROXY TO VOTE YOUR SHARES OF COMMON STOCK AT THE 2014 ANNUAL MEETING, NOT EVEN AS A PROTEST VOTE. IF YOU HAVE ALREADY RETURNED A **WHITE** OR **GOLD** PROXY CARD TO THE COMPANY OR OTHERWISE AUTHORIZED A PROXY TO VOTE YOUR SHARES OF COMMON STOCK AT THE 2014 ANNUAL MEETING, IT IS NOT TOO LATE TO CHANGE YOUR VOTE. TO REVOKE YOUR PRIOR PROXY AND CHANGE YOUR VOTE, SIMPLY DATE, SIGN AND RETURN THE ENCLOSED **BLUE** PROXY FORM IN THE POSTAGE-PAID ENVELOPE PROVIDED OR FOLLOW THE INSTRUCTIONS LOCATED ON THE **BLUE** PROXY FORM TO VOTE BY TELEPHONE OR INTERNET. ONLY YOUR LATEST DATED PROXY WILL BE COUNTED.

Only the Stockholders of record on the Record Date are entitled to vote at the 2014 Annual Meeting.

Advantage Proxy, Inc. is assisting Quagliano with our effort to solicit proxies. If you have any questions or require assistance in authorizing a proxy or voting your shares of Common Stock, please contact:

Advantage Proxy, Inc.  
P.O. Box 13581, Des Moines, WA 98198  
(206) 870-8565  
Stockholders Call Toll-Free at: (877) 870-8565  
E-mail: ksmith@advantageproxy.com



Table of Contents

It is important that your shares of Common Stock be represented and voted at the 2014 Annual Meeting. Accordingly, regardless of whether you plan to attend the 2014 Annual Meeting in person, please complete, date and sign the **BLUE** proxy form that has been provided to you by us (and NOT the **WHITE** proxy card that has been provided to you by the Company or the **GOLD** proxy card that has been provided to you from Kathleen Stout or any other proxy card or form that has been provided to you) and vote **FOR** the proposal to approve an amendment to the Company's By-Laws to reduce the number of directors serving on the Board to five, **FOR** the election of our Nominees and **FOR** the Company's proposal to ratify the selection by the Audit Committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014. To ensure that your vote is counted, please remember to submit your vote so that it is received by us by 11:59 p.m. Eastern Time on May 21, 2014, the day prior to the Annual Meeting.

**[Remainder of page intentionally left blank]**

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>QUESTIONS AND ANSWERS RELATING TO THIS PROXY SOLICITATION</u>	2
<u>BACKGROUND OF THE SOLICITATION</u>	14
<u>PROPOSAL NO. 1 PROPOSAL TO AMEND THE COMPANY S BY-LAWS TO REDUCE THE NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE</u>	16
<u>PROPOSAL NO. 2 ELECTION OF DIRECTORS</u>	16
<u>PROPOSAL NO. 3 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	19
<u>OTHER PROPOSALS</u>	19
<u>NO APPRAISAL OR DISSENTER S RIGHTS</u>	19
<u>SOLICITATION OF PROXIES</u>	19
<u>CERTAIN INFORMATION REGARDING QUAGLIANO AND FENTON</u>	20
<u>CERTAIN RELATIONSHIPS WITH THE COMPANY</u>	20
<u>CERTAIN ADDITIONAL INFORMATION</u>	22
<u>ANNEX A INFORMATION CONCERNING THE PARTICIPANTS IN THE SOLICITATION</u>	A-1
<u>ANNEX B PROPOSED AMENDMENT TO THE BY-LAWS</u>	B-1

Table of Contents

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Proxy Statement contains forward-looking statements. Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as may, will, expects, believes, anticipates, plans, estimates, projects, targets, forecasts, seeks, could or the negative of such terms or other variations on such terms or comparable terminology. Similarly, statements that describe our objectives, plans or goals are forward-looking. Our forward-looking statements are based on our current intent, belief, expectations, estimates and projections regarding the Company and projections regarding the industry in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to differ materially. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and actual results may vary materially from what is expressed in or indicated by the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this Proxy Statement and the material accompanying this Proxy Statement.

**[Remainder of page intentionally left blank]**

Table of Contents

**QUESTIONS AND ANSWERS RELATING TO THIS PROXY SOLICITATION**

The following are some of the questions you may have as a Stockholder, as well as the answers to those questions. The following is not a substitute for the information contained in this Proxy Statement, and the information contained below is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this Proxy Statement. We urge you to read this Proxy Statement carefully and in its entirety.

**Who is making this solicitation?**

The solicitation for election of the Nominees and the other proposals described in this Proxy Statement at the 2014 Annual Meeting is being made by Michael D. Quagliano, Mr. Robert J. Fenton ( Fenton ) and the Nominees. Fenton is a stockholder of the Company and the Company's former Chief Financial Officer, and he is assisting Quagliano with the solicitation of proxies as described in this Proxy Statement. Quagliano, Fenton and the Nominees are participants under the Exchange Act. For additional information regarding Quagliano, Fenton and the Nominees please see the information set forth below and in *Annex A* attached to this Proxy Statement.

**What are we asking you to vote for?**

We are asking you to vote on the following actions on the **BLUE** proxy form at the 2014 Annual Meeting:

1. vote **FOR** the proposal to approve an amendment to the Amended and Restated By-Laws of the Company (the By-Laws ) to reduce the number of directors serving on the Board to five;
2. vote **FOR** the election of Lars Johnson, Jackson Lounsberry, Michael D. Quagliano, Carlyle F. Griffin, Drew Quagliano and Melissa Allen (each, a Nominee and, collectively, the Nominees ) to serve as directors on the Board until the 2015 Annual Meeting of Stockholders or until their respective successors are duly elected and qualified; and
3. vote **FOR** the Company's proposal to ratify the selection by the Audit Committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.

Please see the sections entitled Proposal 1: Proposal to Amend the Company's By-Laws to Reduce the Number of Directors Serving on the Board to Five, Proposal 2: Election of Directors, and Proposal 3: Proposal to ratify the selection by the Audit Committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014, for a more complete description of each of these proposals.

**Why are we soliciting your vote?**

We are soliciting your vote because we are not satisfied with the Company's performance under the current board of directors. (Seven of the Company's nominees have served on the board since 2006, one has served on the board since 2009, two have served on the board since 2012 and one has served on the board since 2013.) In particular:

- The market price of the Common Stock has declined more than 40% since the Company's initial public offering in 2007, from \$10 per share on March 7, 2007 to \$5.80 per share on April 29, 2014;
- From January 1, 2008 through December 31, 2013, the Company had cumulative losses of approximately \$3.5 million (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- From the Company's inception through December 31, 2013, the Company has lost a total of approximately \$8.0 million after giving effect to start-up costs incurred in 2004 through 2006 and partial year operations in 2007 (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- The Company's net loss for the twelve months ended December 31, 2013 was \$656,000, compared to net income of \$281,000 for the twelve months ended December 31, 2012 (as reported in audited financial statements included in the Company's annual reports on Form 10-K);
- The Company generated a net loss for the six months ended December 31, 2013 of \$1,276,000 (based on the financial statements included in the Company's Form 10-K for the year ended December 31, 2013 and the Company's Form 10-Q for the quarter ended June 30, 2013);
- The Company incurred \$358,000 in restructuring charges during the fourth quarter of 2013 to terminate a facility lease and suspend plans to convert its Boulder loan production office into a full-service banking facility (as reported in statements included in the Company's Form 10-K). The Company announced on September 12, 2013, that it had reached an agreement to lease office space in the Cherry Creek neighborhood of Denver, Colorado, and announced on July 22, 2013 its desire to open a full-service branch in Boulder, Colorado, and
- For the quarter ended March 31, 2014, the Company generated a net loss of \$369,000, or \$0.14 per share (as reported in the Company's 8-K filed April 29, 2014).

We believe our Nominees would consider strategies and opportunities for improving Company performance and enhancing shareholder value. We urge the Stockholders to support us in this effort by voting **FOR** our Nominees.

Table of Contents

**Who are the Nominees?**

We are proposing that Lars Johnson, Jackson Lounsberry, Michael D. Quagliano, Carlyle F. Griffin, Drew Quagliano and Melissa Allen be elected as directors of the Company to serve on the Board until the 2015 Annual Meeting of Stockholders or until their respective successors are duly elected and qualified.

Set forth below are the names, ages, business addresses and business experience for the past five years and certain other information for Messrs. Johnson, Lounsberry, Quagliano and Griffin and for Mses. Quagliano and Allen, the individuals nominated by Quagliano as the Nominees to stand for election at the 2014 Annual Meeting. This information has been furnished to Quagliano by the Nominees. In addition, the table below sets forth a brief discussion of the specific experience, qualifications, attributes or skills that led to the conclusion that the Nominee should serve as a director for the Company as of the date hereof, in light of the Company's business and structure.

*Nominees*

Name and Age	Business Address	Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years
Lars Johnson (38)	405 Broadway  Eagle, CO 81631	Mr. Johnson is and has been since July 2011, the Managing Member of Lars Johnson & Associates, LLC, a law firm, where he practices as an attorney specializing in the representation of bankruptcy trustees. In his practice, Mr. Johnson investigates and liquidates non-exempt property and distressed assets, files fraudulent conveyance, preference and recovery actions, and generally assists trustees in the administration of bankruptcy estates. From August 2010 until July 2011, Mr. Johnson served as a realty specialist at the U.S. Department of Agriculture, where he was responsible for acquiring, managing and disposing of real property on behalf of the federal government. From July 2007 to August 2010, Mr. Johnson practiced as a self-employed attorney and consultant, representing commercial landlords in the negotiation of commercial loans and leases and consulting on the operation of large commercial operations. Mr. Johnson has also worked as an attorney at Faegre & Benson, LLP in the Banking and Bankruptcy Group. Mr. Johnson is a 2001 graduate of Harvard Law School, a licensed attorney in Colorado and has held a license as a FINRA Series 7 Registered Representative since January 2014 and has been a registered representative at TradingBlock since such time. Mr. Johnson and his family currently reside in Eagle, Colorado. Mr. Quagliano believes that the attributes, skills and qualifications that Mr. Johnson has obtained through his experience as an attorney will provide the Board and the Company with valuable knowledge and experience.

Table of Contents

*Nominees*

Name and Age	Business Address	Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years
Jackson Lounsberry (45)	601 S. Main Street #205  Grapevine, TX 76051  405 Broadway  Eagle, CO 81631	Since September 2013, Mr. Lounsberry has been a co-owner and Managing Member of SIA-Summit Investment Advisors and SIA Capital Management. SIA-Summit Investment Advisors and SIA Capital Management are the general partners of the SIA Capital Options Fund I, a hedge fund that was founded in March of 2010. In 2006, Mr.Lounsberry founded Eagle Valley Investments, a boutique wealth management firm based in the Vail Valley of Colorado, which he left in September 2013 to join Summit Investment Advisors. Although not currently associated with a securities broker-dealer, Mr. Lounsberry has held a Series 7 securities license since 1997, beginning as a Trust & Investment Officer with Bank Iowa. During his ten years at BankIowa, Mr. Lounsberry developed a \$65 million book of business and served on various Executive Planning Committees. Mr. Lounsberry is a 1994 graduate of Northwestern University where he was a varsity basketball letterman. He and his family currently reside in Eagle, Colorado. Quagliano believes that the attributes, skills and qualifications that Mr. Lounsberry has obtained through his experience in the securities and banking industry will provide the Board and the Company with valuable knowledge and experience.

Table of Contents

*Nominees*

Name and Age	Business Address	Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years
Michael D. Quagliano (51)	3520 Broadway  Quincy, IL 62301  3430 Dodge St., Unit 6, Dubuque, IA 52003 (for QHQ Partnership)	<p>Since 1982, Mr. Quagliano has owned and operated various businesses and investments, including restaurant franchises and real estate investments. Such businesses are conducted under various names, including Best Buy of Hiram, Inc., Best Buy of Cedar Rapids, Inc., BBQ Too, Inc., Serendipitous, Inc., Rainmaker Management, Inc., Wenco of Carbondale, Inc., Wenco of Palmyra, Inc., Wenco of Hannibal, Inc., Win Mgmt, Inc., A Shapiro, LLC, QHQ Partnership and Mr. Quagliano's own name.</p> <p>Mr. Quagliano has been involved with the Company since its inception and has engaged in discussions with and has responded to inquiries from various persons, including, without limitation, the Company's Board of Directors, management, other shareholders of the Company and other relevant parties concerning matters with respect to the Company and Mr. Quagliano's investment in the Company, including, without limitation, the business, operations, governance, management, strategy and future plans of the Company. Mr. Quagliano has made various recommendations to the Company's Board and management to improve the performance of the Company, including, without limitation, (i) reducing or eliminating certain real estate leases, (ii) considering appropriate staff reductions and (iii) decreasing executive compensation. Mr. Quagliano served on the Board of Directors from December 5, 2008 to May 21, 2009. He believes that his commercial experience and knowledge of and history with the Company, as well as his financial stake in the Company as its largest stockholder, provide a unique perspective on the Company, including its operations, intended markets and historical strategies and the results thereof.</p>



Table of Contents

*Nominees*

Name and Age	Business Address	Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years
Carlyle F. Griffin (69)	none	<p>Mr. Griffin has thirty years of marketing and management experience in complex situations and ten additional years experience consulting with various customers implementing management computer systems. Mr. Griffin has served on Boards of smaller for-profit and non-profit organizations and has experience in financial planning, executive transition and management training. Mr. Griffin worked at IBM in various roles including as a marketing manager, marketing representative, regional support manager and financial marketing consultant until his retirement from IBM in 2000. From 2000 until his retirement in 2007, he provided marketing consulting services to various entities. Quagliano believes that the attributes, skills and qualifications that Mr. Griffin has obtained through his marketing and management experience will provide the Board and the Company with valuable knowledge and experience.</p>

Table of Contents

*Nominees*

Name and Age	Business Address	Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years
Drew Quagliano (22)	none	Ms. Quagliano is a student at the University of Colorado Boulder, where she takes classes in the Leeds School of Business. Ms. Quagliano has horse sales experience and has interned at a public relations firm in New York. Ms. Quagliano is the daughter of Michael D. Quagliano. Mr. Quagliano believes that, due to Ms. Quagliano's age, she will bring the perspective of the next generation to the Board which may be valuable in promoting the Company to younger customers and fulfilling their needs.

Table of Contents

*Nominees*

<b>Name and Age</b>	<b>Business Address</b>	<b>Principal Occupation or Employment and Public Company Directorships, in Each Case During the Last Five Years</b>
Melissa Allen (28)	3352 Olde Hampton Dr.  Wellington, FL 33414	Ms. Allen has served as the manager of Rosiano Farm, a horse farm, in Wellington, Florida and Lexington, Kentucky since 2009. At Rosiano Farm, she has managed logistics and care of top level show jumping horses on a national level. She also had three months of basic-training in the Israeli Defense Force. Ms. Allen is the fiancée of Mr. Quagliano. Mr. Quagliano believes that, due to Ms. Allen's age, she will bring the perspective of younger business managers to the Board which may be valuable in promoting the Company to customers and fulfilling their needs.

Table of Contents

The Board currently consists of 13 directors. According to the Company's Proxy Statement, the Board intends to nominate 11 candidates for election as directors at the 2014 Annual Meeting and reduce the size of the Board to 11 directors. This Proxy Statement is soliciting proxies to elect Messrs. Johnson, Lounsberry, Quagliano and Griffin and Ms. Quagliano and Allen to serve as directors on the Board.

The Nominees, if elected, will constitute a majority of the directors and will alone be able to adopt resolutions or otherwise cause the Board to act. In the event that Proposal No. 1 to reduce the size of the Board to five members is adopted by the Shareholders, the five Nominees receiving the most FOR votes will be the five Nominees to fill the open positions on the Board of Directors, provided that none of the other Nominees withdraws or resigns. In the event that Proposal No. 1 to reduce the size of the Board to five members is not adopted by the Shareholders, the Nominees, if elected, would still constitute a majority of an 11 person board. Quagliano will vote proxies granted to him pursuant to this proxy solicitation only in favor of his six Nominees, regardless of the size of the board or the ability for any one or more of the Nominees to sit for election to the Board. Quagliano will only be able to vote proxies for his Nominees, and in the event that any Nominee is not eligible to sit for election, Quagliano will not be able to vote for any other person in place of such Nominee. Additionally, in the event that Proposal No. 1 to reduce the size of the Board to five members is not adopted by the Shareholders, there would be 11 director positions available. In that event, if you return the blue proxy card to vote for the Quagliano Nominees, then (i) you will be disenfranchised with respect to the remaining five seats of an 11 person Board and (ii) Quagliano would not have discretionary authority to vote your shares on the remaining five seats.

If the Nominees are elected, there can be no assurance that the individuals who are elected to fill the remaining Board seats (i.e., the Company nominees and/or the Stout nominees) would agree to serve on the Board. If the Nominees are elected and one or more vacancies exist on the Board, then the newly-elected Board would have the authority to fill any such vacancies. Quagliano and the participants in this solicitation do not have any current plans or intentions to fill any such vacancies.

Based on the information furnished by the Nominees, Quagliano believes each of the Nominees is independent within the meaning of Rule 5605(a)(2) of the Nasdaq listing standards and Quagliano has no knowledge of any facts that would prevent the determination that each of the Nominees is independent under such standards. (The Company has elected to use the definition of independence that is contained in Rule 5605(a)(2) of the Nasdaq listing standards.)

**Who can vote at the 2014 Annual Meeting?**

According to the Company's Proxy Statement, holders of record of Common Stock at the close of business on March 31, 2014 will be entitled to vote at the 2014 Annual Meeting. Each share of Common Stock will be entitled to one vote. On March 31, 2014 (the record date for the 2014 Annual Meeting), according to the Company's Proxy Statement, there were 2,679,162 shares of Common Stock outstanding and no other voting securities of the Company outstanding.

**How do proxies work?**

Quagliano is asking you to appoint Michael D. Quagliano as your proxy holder to vote your shares of Common Stock at the 2014 Annual Meeting. You make this appointment by voting the enclosed **BLUE** proxy form or by using one of the voting methods described below. Giving us your proxy means you authorize the proxy holders to vote your shares at the 2014 Annual Meeting, according to the directions you provide.

Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

You may vote for all, some or none of our director candidates. Whether or not you are able to attend the 2014 Annual Meeting, you are urged to complete the enclosed **BLUE** proxy form and return it in the enclosed self-addressed, prepaid envelope or follow the instructions located on the **BLUE** proxy form to vote by telephone or Internet. All valid proxies received prior to the meeting will be voted. If you specify a choice with respect to any item by marking the appropriate box on the proxy, the shares of Common Stock will be voted in accordance with that specification. IF NO SPECIFICATION IS MADE, THE SHARES OF COMMON STOCK WILL BE VOTED (I) FOR THE PROPOSAL TO APPROVE AN AMENDMENT TO THE COMPANY S BY-LAWS TO REDUCE THE NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE; (II) FOR LARS JOHNSON FOR DIRECTOR; (III) FOR JACKSON LOUNSBERRY FOR DIRECTOR; (IV) FOR MICHAEL D. QUAGLIANO FOR DIRECTOR; (V) FOR CARLYLE F. GRIFFIN FOR DIRECTOR; (VI) FOR DREW QUAGLIANO FOR DIRECTOR; (VII) FOR MELISSA ALLEN FOR DIRECTOR; (VII) FOR THE COMPANY S PROPOSAL TO RATIFY THE SELECTION BY THE AUDIT COMMITTEE OF THE FIRM OF MCGLADREY LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014; AND (IX) IN THE PROXY HOLDERS DISCRETION AS TO OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE 2014 ANNUAL MEETING.

Table of Contents

We do not know of any other matters to be presented for approval by the Stockholders at the 2014 Annual Meeting. Unless you indicate otherwise on the **BLUE** proxy form or through the telephone or Internet voting procedures, you also authorize your proxy holders to vote your shares of Common Stock in their discretion on any matters not known by Quagliano at the time this Proxy Statement was printed and that, under the Company's By-Laws, may be properly presented for action by the Stockholders at the 2014 Annual Meeting.

**What do I need to attend the 2014 Annual Meeting?**

The 2014 Annual Meeting will be held at Pinehurst Country Club, 6255 West Quincy Avenue, Denver, Colorado 80235, on Thursday, May 22, 2014, at 10:00 a.m., local time. You should be prepared to present valid government-issued photo identification, such as a driver's license or passport, for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the 2014 Annual Meeting. If you are a beneficial owner, you must provide proof of beneficial ownership on the Record Date, such as your account statement showing that you owned your stock as of March 31, 2014, a copy of the voting instruction form provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification and comply with the other procedures outlined above, you will not be admitted to the 2014 Annual Meeting. You do not need to attend the 2014 Annual Meeting to vote. Even if you plan to attend the 2014 Annual Meeting, please submit your vote in advance as instructed in this Proxy Statement.

**What is the quorum requirement for the 2014 Annual Meeting?**

The holders of a majority of the stock issued and outstanding and entitled to vote at the 2014 Annual Meeting, present in person or represented by proxy, shall constitute a quorum at the 2014 Annual Meeting.

**What is the effect of an ABSTAIN vote?**

Abstentions are considered to be present and entitled to vote with respect to each relevant proposal, but will not be considered a vote cast with respect to that proposal. Therefore, an abstention will effectively be a vote against each of the proposals, except for the election of directors.

**What is a broker non-vote?**

A broker non-vote occurs when a beneficial owner of shares held by a broker, bank or other nominee fails to provide the record holder with voting instructions on any non-routine matters brought to a vote at a stockholder meeting.

Non-routine matters include the election of directors and amendments to the Company's Bylaws to reduce the size of the Board. As such, a broker may not vote your shares with respect to such matters without your instructions. **Given the contested nature of the election, a broker**

**does not have discretionary authority to vote on any proposals to be voted on at the meeting, whether routine or not.**

If your shares are held of record by a bank, broker or other nominee, we urge you to give instructions to your bank, broker or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting on these important matters.

**What vote is required to elect the Nominees?**

According to the Company's By-Laws, directors are elected by plurality of the votes cast at a meeting at which a quorum is present, meaning the eleven nominees receiving the highest number of FOR votes will be elected, provided however that if the size of the Board is reduced to five, then the five nominees receiving the highest number of FOR votes will be elected. Withhold votes will be counted as present for purposes of this vote but are

Table of Contents

not counted as votes cast. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

**What vote is required to approve the other proposals described in this Proxy Statement?**

Proposal 1, the proposal to amend the Company's By-Laws to reduce the number of directors serving on the Board, requires the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote.

Proposal 3, the proposal to ratify the selection by the Audit Committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014, according to the Company's Proxy Statement, requires the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote.

If other matters are properly brought before the 2014 Annual Meeting, the vote required will be determined in accordance with applicable law and the Company's Certificate of Incorporation and By-Laws, as applicable.

**What should I do in order to vote for the Nominees and the other proposals?**

If your shares of Common Stock are held of record in your own name, please authorize a proxy to vote by marking, signing, dating and returning the enclosed **BLUE** proxy form in the postage-paid envelope provided to you by us or follow the instruction on the **BLUE** proxy form to vote by telephone or Internet.

If you hold your shares of Common Stock in street name with a bank, brokerage firm, dealer, trust company or other nominee, only they can exercise your right to vote with respect to your shares of Common Stock and only upon receipt of your specific instructions. Accordingly, it is critical that you promptly give instructions to your bank, brokerage firm, dealer, trust company or other nominee to ensure that a **BLUE** proxy form is submitted on your behalf. Please follow the instructions to authorize a proxy to vote provided on the enclosed **BLUE** proxy form. If your bank, brokerage firm, dealer, trust company or other nominee provides for voting instructions to be delivered to them by Internet or telephone, instructions will be included on the enclosed **BLUE** proxy form. We urge you to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to us, care of Advantage Proxy, Inc., P.O. Box 13581, Des Moines, WA 98198, so that we may be aware of all instructions given and can attempt to ensure that such instructions are followed.

**YOUR VOTE IS VERY IMPORTANT.** If you do not plan to attend the 2014 Annual Meeting, we encourage you to read this Proxy Statement and date, sign and return your completed **BLUE** proxy form provided to you by us, or follow the instructions located on your **BLUE** proxy form to vote by telephone or internet prior to the 2014 Annual Meeting so that your shares of Common Stock will be represented and voted in accordance with your instructions. Even if you plan to attend the 2014 Annual Meeting in person, we recommend that you authorize a proxy to vote your shares of Common Stock in advance as described above so that your vote will be counted if you later decide not to attend the 2014 Annual Meeting. To ensure that your vote is counted, please remember to submit your vote so that it is received by us no later than 11:59 p.m. Eastern Time on May 21, 2014, the day prior to the Annual Meeting.



**What does it mean if I receive more than one BLUE proxy form on or about the same time?**

It generally means you hold shares registered in more than one account. In order to vote all of your shares, please sign and return each **BLUE** proxy form or, if you vote via the internet or telephone, vote once for each **BLUE** proxy form you receive.

Table of Contents

**What is the deadline for submitting proxies?**

- (a) Internet: Votes submitted electronically via the Internet must be received by 11:59 p.m. Eastern Time on May 21, 2014.
- (b) Telephone: Votes submitted electronically by telephone must be received by 11:59 p.m. Eastern Time on May 21, 2014.
- (c) Mail: Votes submitted by mail via written proxy must be returned in sufficient time to be counted prior to the closing of the polls at the 2014 Annual Meeting.
- (d) In Person: All stockholders of record as of the Record Date may vote in person at the 2014 Annual Meeting.

**How do I revoke a proxy?**

Any Stockholder has the power to revoke a previously submitted proxy at any time before it is exercised even if you submitted a proxy card or form sent to you by the Company. If you are a registered holder of Common Stock, you may revoke a previously submitted proxy by:

- voting over the internet or by telephone at a later time in the manner provided on the **BLUE** proxy form or any other later-dated proxy;
- signing, dating and returning the enclosed **BLUE** proxy form or any other later-dated proxy in the postage-paid envelope provided;
- delivering a written notice of revocation to the Corporate Secretary of the Company c/o Solera National Bancorp, Inc., 319 S. Sheridan Blvd. Lakewood, Colorado 80226; or
- attending the 2014 Annual Meeting and voting in person.

Please note, however, that only your last-dated proxy will count any proxy may be revoked at any time prior to its exercise at the 2014 Annual Meeting as described in this Proxy Statement. Attending the 2014 Annual Meeting alone without taking one of the actions above will not revoke your proxy.

Stockholders who hold their shares of Common Stock in street name with a bank, brokerage firm, dealer, trust company or other nominee will need to notify the person responsible for their account to revoke or withdraw previously given instructions. Unless revoked in the manner set forth above and subject to the foregoing, duly authorized proxies in the form enclosed will be voted at the 2014 Annual Meeting in accordance with your instructions. We request that a copy of any revocation sent to the Company or any revocation notification sent to the person responsible for a bank or brokerage account also be sent to us, care of Advantage Proxy, Inc., P.O. Box 13581, Des Moines, WA 98198, so that we may be aware of any revocation of a proxy.

PLEASE **DO NOT** RETURN ANY **WHITE** PROXY CARD YOU MAY RECEIVE FROM THE COMPANY OR ANY **GOLD** PROXY CARD YOU MAY RECEIVE FROM KATHLEEN STOUT OR OTHERWISE AUTHORIZE A PROXY TO VOTE YOUR SHARES OF COMMON STOCK AT THE 2014 ANNUAL MEETING, NOT EVEN AS A PROTEST VOTE. IF YOU HAVE ALREADY RETURNED A **WHITE** OR **GOLD** PROXY CARD TO THE COMPANY OR OTHERWISE AUTHORIZED A PROXY TO VOTE YOUR SHARES OF COMMON STOCK AT THE 2014 ANNUAL MEETING, IT IS NOT TOO LATE TO CHANGE YOUR VOTE. TO REVOKE YOUR PRIOR PROXY AND CHANGE YOUR VOTE, SIMPLY SIGN AND RETURN THE ENCLOSED **BLUE** PROXY FORM IN THE POSTAGE-PAID ENVELOPE PROVIDED OR USE THE **BLUE** PROXY FORM TO VOTE BY TELEPHONE OR INTERNET. ONLY YOUR LATEST DATED PROXY WILL BE COUNTED.

Table of Contents

**Who is paying for the solicitation on behalf of Quagliano?**

Quagliano will pay all costs of the solicitation of proxies on behalf of himself for the 2014 Annual Meeting. Quagliano does not intend to seek reimbursement of those costs from the Company.

**Whom should I call if I have any questions about the solicitation?**

If you have any questions, or need assistance in voting your shares of Common Stock, please call our proxy solicitor, Advantage Proxy, Inc., toll free, at (877) 870-8565.

**YOUR VOTE IS IMPORTANT, NO MATTER HOW FEW SHARES YOU OWN. QUAGLIANO URGES YOU TO SIGN, DATE AND RETURN THE ENCLOSED BLUE PROXY FORM TODAY TO VOTE FOR THE PROPOSAL TO APPROVE AN AMENDMENT TO THE BY-LAWS TO REDUCE THE NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE, FOR THE ELECTION OF OUR NOMINEES, AND FOR THE COMPANY S PROPOSAL TO RATIFY THE SELECTION BY THE AUDIT COMMITTEE OF THE FIRM OF MCGLADREY LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014.**

**Important Notice Regarding the Availability of Proxy Materials  
for the Stockholder Meeting to Be Held on May 22, 2014:  
The proxy materials are available at [www.proxyvote.com](http://www.proxyvote.com).**

Table of Contents

**BACKGROUND OF THE SOLICITATION**

On January 22, 2014, Quagliano publicly filed Amendment No. 1 to Schedule 13D with the SEC, in which Quagliano announced that, because the Company has failed to adequately respond to Quagliano's recommendations and inquiries, he was considering nominating nominees for election at the 2014 Annual Meeting.

On February 20, 2014, Quagliano publicly filed Amendment No. 2 to Schedule 13D with the SEC, in which Quagliano announced that, because the Company had failed to adequately respond to Quagliano's recommendations and inquiries, and because of the continued poor earnings performance of the Company, including as described in the Form 8-K filed by the Company with the SEC on February 3, 2014, he was likely at the 2014 Annual Meeting to nominate nominees for election and to propose an amendment to the Company's by-laws to reduce the size of the board.

On February 21, 2014, Quagliano delivered a notice to the Company proposing to nominate the Nominees to stand for election at the 2014 Annual Meeting and identifying the Nominees. The notice also included Quagliano's proposal to amend to reduce the number of directors serving on the Board to five.

On March 12, 2014, the Company filed a complaint in Colorado District Court sitting in Jefferson County against Quagliano and the other Nominees seeking a declaratory judgment that the Nominees cannot stand for election as directors due to the failure to provide appropriate notice to the Company in accordance with its bylaws, and that if they were elected, their election would be invalid (the Lawsuit). On March 12, 2014, the Company also filed initial disclosures in the Lawsuit.

On March 24, 2014, Quagliano publicly filed Amendment No. 3 to Schedule 13D with the SEC, in which Quagliano announced that, because the Company had failed to adequately respond to Quagliano's recommendations and inquiries, and because of the continued poor earnings performance of the Company (including as described in the Form 8-K filed by the Issuer on February 3, 2014), he had submitted notice to the Board of his intention at the 2014 Annual Meeting to nominate nominees for election to the Board and to propose an amendment to reduce the number of directors serving on the Board to five.

On March 25, 2014, the Company announced that it would be nominating eleven current directors as candidates for election at the 2014 Annual Meeting, and the Board announced its determination to not recommend the Quagliano Nominees.

On or about March 26, 2014, Quagliano and Mr. Carmichael had a telephone conversation in which they discussed composition of the board of directors, Quagliano's Nominees, and Quagliano's possible participation on the board.

On March 28, 2014, the Company dismissed the Lawsuit, without prejudice, with respect to a proposed nominee who withdrew as a nominee.

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

On April 3, 2014, Quagliano filed his notice of removal of the Lawsuit from Jefferson County District Court to the U.S. District Court for the District of Colorado.

On April 4, 2014, the Company filed the Company's Preliminary Proxy Statement with the SEC.

On or about April 7, 2014, Quagliano and Mr. Carmichael had a telephone conversation in which they discussed composition of the board of directors, Quagliano's Nominees, and Quagliano's possible participation on the board.

On April 10, 2014, in accordance with the Bylaws of the Company, Quagliano delivered a supplemental notice to the Company with respect to proposing to nominate the Nominees to stand for election at the 2014 Annual Meeting and proposing to amend the Bylaws of the Company to reduce the number of directors serving on the Board to five.

On April 10, 2014, Quagliano filed an Answer, Affirmative Defenses and Jury Demand with the U.S. District Court for the District of Colorado in response to the Complaint filed against Quagliano and the Nominees.

Table of Contents

On April 11, 2014, the U.S. District Court for the District of Colorado issued Notice for an Order Setting Scheduling Conference for July 1, 2014 for the Lawsuit.

On April 11, 2014, Quagliano and Fenton filed a joint Schedule 13D with the SEC pursuant to Rule 13d-1(k)(1) of the Exchange Act. The Schedule 13D discloses that Fenton may oppose the election of director nominees proposed by the Company and support the election of director Nominees proposed by Quagliano. The Schedule 13D also discloses that Fenton may support the proposed amendment to the Bylaws to reduce the number of directors to five.

On April 14, 2014, the Company filed its Motion to Remand the Lawsuit back to the Jefferson County District Court.

On April 16, 2014, Quagliano submitted a request for certain stocklist materials pursuant to Section 220 of the Delaware General Corporation Law.

On April 17, 2014, the Company filed Amendment No. 1 to the Company's Preliminary Proxy Statement with the SEC.

On April 18, 2014, Quagliano filed its Preliminary Proxy Statement with the SEC.

On April 22, 2014, the Company filed Amendment No. 2 to the Company's Preliminary Proxy Statement with the SEC.

On April 24, 2014, Kathleen Stout, a shareholder of the Company, filed her Preliminary Proxy Statement with the SEC. We make no comments or recommendations regarding Ms. Stout's nominees.

On April 25, 2014, the Company filed the Company's Definitive Proxy Statement with the SEC.

On April 28, 2014, Mr. Carmichael contacted Quagliano and they had a telephone conversation in which Mr. Carmichael discussed the Nominees with Quagliano.

On April 29, 2014, Mr. Carmichael contacted Quagliano and they had a telephone conversation in which they discussed composition of the board of directors, Quagliano's Nominees, and Quagliano's possible participation on the board.

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

On May 1, 2014, Quagliano filed Amendment No. 1 to its Preliminary Proxy Statement with the SEC.

Since the communications described above, and as of the date hereof, Quagliano and the Company have not had any further material contacts.

Quagliano believes that the notice he provided to the Company regarding election of the Nominees and the proposal to amend the By-Laws (the Notice ) was proper under the Company s By-Laws and that the Nominees may stand for election. Quagliano does not expect that a declaratory judgment or similar order will be entered in the Lawsuit prior to the date of the 2014 Annual Meeting. However, if prior to the date of the 2014 Annual Meeting a judgment or order is entered in the Lawsuit finding that the Notice was not proper and that the Nominees may not stand for election, then it is likely that the Nominees would not be elected, regardless of the number votes cast in their favor. If such a judgment or order has not been entered in the Lawsuit as of the time of the 2014 Annual Meeting, then the Company will determine whether it believes the Notice was proper and whether the Nominees may stand for election. If the Company concludes that Quagliano s notice was not proper and that the Nominees may not stand for election (even though a judgment or order to that effect has not been entered as of the time of the 2014 Annual Meeting), then there is a risk that the Nominees would not be elected, regardless of the number votes cast in their favor.



Table of Contents

**PROPOSAL NO. 1 PROPOSAL TO AMEND THE COMPANY S BY-LAWS TO REDUCE THE  
NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE**

Quagliano proposes that the Stockholders vote to approve an amendment to the Company s By-Laws to reduce the number of directors serving on the Board to five. The full text of the proposed amendment is attached as *Annex B* to this Proxy Statement. Pursuant to the Company s Certificate of Incorporation and By-Laws, the affirmative vote of a majority of the outstanding shares of Common Stock present at the 2014 Annual Meeting is required to adopt the proposed amendment. Accordingly, abstentions and broker non-votes will effectively be votes against the proposal.

Quagliano believes that (i) a reduction in the size of the board will reduce compensation expense and address, in part, the declining financial performance of the Company, (ii) a 13 or 11 member board of directors is unwieldy for a small bank and (iii) it is difficult for a small bank to attract 11 or more qualified directors who have the requisite banking, business or financial experience to effectively manage the Company, address the Company s poor financial performance, and establish strategies to create shareholder value. Reducing the size of the board to five continues to satisfy the regulatory requirements applicable to the Company and creates a manageable and responsive board structure. Quagliano believes that the principal disadvantages to reducing the size of the board are the potential loss of diversity and expertise that might otherwise be provided by a larger board and potentially fewer board members promoting the bank to potential customers.

This proposed amendment to the By-Laws also authorizes the Board to increase or decrease the number of directors (to not less than five nor more than 25 directors) so that the Company may adapt in response to future events or needs of the Company.

Accordingly, we recommend that you vote **FOR** this proposal by checking the appropriate box and signing, dating and returning the enclosed **BLUE** proxy form.

**PROPOSAL NO. 2 ELECTION OF DIRECTORS**

We propose that the Stockholders elect Lars Johnson, Jackson Lounsberry, Michael D. Quagliano, Carlyle F. Griffin, Drew Quagliano and Melissa Allen as directors of the Company at the 2014 Annual Meeting. According to the Company s Proxy Statement, the Board currently consists of 13 directors, 11 of whom are up for election at the 2014 Annual Meeting, at which time the Board will reduce the size of the Board to 11 directors.

According to the Company s By-Laws, directors are elected by plurality of the votes cast at a meeting at which a quorum is present, meaning the 11 nominees receiving the highest number of **FOR** votes will be elected, provided however that if the size of the Board is reduced to five as requested under Proposal No. 1 above, then the five nominees receiving the highest number of **FOR** votes will be elected. Withhold votes will be counted as present for purposes of this vote but are not counted as votes cast. Broker non-votes will not be counted as present for purposes of this vote.

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

Our Nominees, if elected at the 2014 Annual Meeting, would hold office until the 2015 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified. Each of the Nominees has consented to being named as a nominee in this Proxy Statement and, if elected, to serving as a director of the Company.

Based on the information furnished by the Nominees, Quagliano believes each of the Nominees is independent within the meaning of Rule 5605(a)(2) of the Nasdaq listing standards and Quagliano has no knowledge of any facts that would prevent the determination that each of the Nominees is independent under such standards.

In addition, each of the Nominees understands that, if elected as a director of the Company, each Nominee would have an obligation to act in the best interests of the Company and the Stockholders in accordance with his or her duties as a director.

The Nominees, if elected, will constitute a majority of the directors and will alone be able to adopt resolutions or otherwise cause the Board to act. In the event that Proposal No. 1 to reduce the size of the Board to five members is adopted by the Shareholders, the five Nominees receiving the most FOR votes will be the five Nominees to fill

Table of Contents

the open positions on the Board of Directors, provided that none of the other Nominees withdraws or resigns. In the event that Proposal No. 1 to reduce the size of the Board to five members is not adopted by the Shareholders, the Nominees, if elected, would still constitute a majority of an 11 person board. Quagliano will vote proxies granted to him pursuant to this proxy solicitation only in favor of his six Nominees, regardless of the size of the board or the ability for any one or more of the Nominees to sit for election to the Board. Quagliano will only be able to vote proxies for his Nominees, and in the event that any Nominee is not eligible to sit for election, Quagliano will not be able to vote for any other person in place of such Nominee. Additionally, in the event that Proposal No. 1 to reduce the size of the Board to five members is not adopted by the Shareholders, there would be 11 director positions available. In that event, if you return the blue proxy card to vote for the Quagliano Nominees, then (i) you will be disenfranchised with respect to the remaining five seats of an 11 person Board and (ii) Quagliano would not have discretionary authority to vote your shares on the remaining five seats.

If the Nominees are elected, there can be no assurance that the individuals who are elected to fill the remaining Board seats (i.e., the Company nominees and/or the Stout nominees) would agree to serve on the Board. If the Nominees are elected and one or more vacancies exist on the Board, then the newly-elected Board would have the authority to fill any such vacancies. Quagliano and the participants in this solicitation do not have any current plans or intentions to fill any such vacancies.

**Information Regarding the Nominees**

Information pertaining to the Nominees, including the name, age, present principal occupation, business address and business experience for the past five years and certain other information, is set forth in the question and answer section of this Proxy Statement under the section entitled "Who are the Nominees?", which we urge you to read. This information has been furnished to Quagliano by the Nominees. Other than as disclosed in this Proxy Statement, there is no arrangement or understanding between any of the Nominees and any other person(s) pursuant to which any such Nominee was or is to be selected as a director or nominee of the Company.

**Arrangements between Quagliano and the Nominees**

There are no arrangements between Quagliano and any Nominee regarding any Nominee's nomination or election to the Board of Directors, nor any arrangement between Quagliano and any Nominee with respect to such Nominee's service on the Board, if elected.

**Compensation of the Company's Directors**

The Nominees will not receive any compensation from Quagliano for serving as nominees or for serving as directors, if elected.

However, if elected they will receive whatever compensation the Board establishes from time to time for non-employee directors of the Company. The following discussion summarizes the Company's current compensation of directors based solely on the Company's Proxy Statement:

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

Meetings of the Board of Directors are held regularly, but no less frequently than quarterly. The Company currently pays directors for their attendance at Board and committee meetings as follows:

	<b>Chairman</b>		<b>Directors</b>	
Board Meetings	\$	800	\$	400
Committee Meetings	\$	400	\$	200

Board meeting fees are only paid for in-person attendance. Committee meeting fees are paid for attending telephonically or in-person. Directors are also reimbursed for their out-of-pocket expenses incurred in connection with the performance of Board duties and are eligible to be granted option awards under the Company's 2007 Stock Incentive Plan and its 2012 Long-Term Incentive Plan.

None of the Nominees or any associate of any Nominee has received any cash compensation, cash bonuses, deferred compensation, compensation pursuant to plans or other compensation, from, or in respect of, services rendered on behalf of the Company, or is subject to any arrangement described in Item 402 of Regulation S-K promulgated under the Securities Act of 1933, as amended ( Regulation S-K ).

Table of Contents

None of the Nominees has any position or office with the Company and no occupation or employment with which the Nominees have been involved during the past five years was carried on with the Company or any corporation or organization that is a parent, subsidiary or other affiliate of the Company. Except for Quagliano, who served on the Board from December 5, 2008 to May 21, 2009, none of the Nominees has ever served on the Board.

**Interests of the Nominees**

We expect that each of the Nominees, if elected, will be (i) entitled to receive compensation customarily paid by the Company to its non-employee directors; (ii) indemnified for service as a director of the Company to the same extent indemnification is provided to the current directors of the Company; and (iii) covered by the Company's director and officer liability insurance.

The Nominees may be deemed to have an interest in their nominations for election to the Board by virtue of compensation the Nominees will receive from the Company as a director, if elected to the Board, and as described elsewhere in this Proxy Statement.

Information as to any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the 2014 Annual Meeting with respect to Quagliano and the other Nominees is set forth herein. Quagliano owns beneficially, directly or indirectly, 623,970 shares of Common Stock. Mr. Griffin owns beneficially, directly or indirectly, 2,000 shares of Common Stock jointly with his spouse. Mr. Griffin's spouse separately owns beneficially, directly or indirectly, 15,500 shares of Common Stock and organizer warrants to purchase 15,500 shares of Common Stock. Except for such beneficial ownership or as otherwise set forth in *Annex A* or elsewhere herein, none of Quagliano or the other Nominees beneficially owns any securities of the Company or has any personal ownership interest, direct or indirect, in any securities of the Company. Other than as described in this Proxy Statement, none of the persons listed on *Annex A* of this Proxy Statement, including any Nominee, or any associate of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the 2014 Annual Meeting.

The Nominees have furnished the additional information with respect to themselves located on *Annex A* to this Proxy Statement.

**WE STRONGLY URGE YOU TO VOTE FOR THE ELECTION OF LARS JOHNSON, JACKSON LOUNSBERRY, MICHAEL D. QUAGLIANO, CARLYLE F. GRIFFIN, DREW QUAGLIANO AND MELISSA ALLEN BY MARKING, SIGNING, DATING AND RETURNING THE ENCLOSED BLUE PROXY FORM IN THE POSTAGE-PAID ENVELOPE PROVIDED TO YOU WITH THIS PROXY STATEMENT OR BY USING THE BLUE PROXY FORM TO VOTE BY TELEPHONE OR INTERNET. IF YOU HAVE SIGNED THE BLUE PROXY FORM AND NO MARKING IS MADE, YOU WILL BE DEEMED TO HAVE GIVEN A DIRECTION TO VOTE ALL THE SHARES OF COMMON STOCK REPRESENTED BY THE BLUE PROXY FORM FOR THE ELECTION OF LARS JOHNSON, JACKSON LOUNSBERRY, MICHAEL D. QUAGLIANO, CARLYLE F. GRIFFIN, DREW QUAGLIANO AND MELISSA ALLEN.**

Please do not return any **WHITE** proxy card you may receive from the Company or any **GOLD** proxy card you may receive from Kathleen Stout or otherwise authorize a proxy to vote your shares of Common Stock for the Company's nominees. If you have already submitted a **WHITE** or **GOLD** proxy card that may have been sent to you by the Company or otherwise authorized a proxy to vote your shares of Common Stock for the Company's nominees, it is not too late to change your vote. To revoke your prior proxy and change your vote, simply sign and

Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

return the enclosed **BLUE** proxy form in the postage-paid envelope provided to you by us or follow the instructions located on the **BLUE** proxy form to vote by telephone or Internet. Only your latest dated proxy will be counted.

Table of Contents

**PROPOSAL NO. 3 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC**

**ACCOUNTANTS**

As discussed in further detail in the Company's Proxy Statement, the Company has proposed that the Stockholders ratify the Audit Committee's selection of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014. We do not object to the ratification of the Audit Committee's selection of McGladrey LLP and recommend that you vote **FOR** this proposal by checking the appropriate box and signing, dating and returning the enclosed **BLUE** proxy form. Additional information regarding this proposal is contained in the Company's Proxy Statement.

Ratification of the appointment of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014 requires the affirmative vote of a majority of the shares present at the 2014 Annual Meeting, in person or by proxy, and entitled to vote on the proposal at the 2014 Annual Meeting. Abstentions will be counted as present and will have the effect of a vote against the proposal. Broker non-votes will not be counted as present and are not entitled to vote on the proposal.

Additional information concerning this proposal is contained in the Company's Proxy Statement dated April 25, 2014. In accordance with Rule 14a-5(c) of the Exchange Act, such information has not been reproduced in this Proxy Statement.

**OTHER PROPOSALS**

We do not know of any other matters to be presented for approval by the Stockholders at the 2014 Annual Meeting. If, however, other matters are properly presented, the persons named in the enclosed **BLUE** proxy form will vote the Common Stock represented thereby in accordance with their discretion pursuant to the authority granted in the proxy.

**NO APPRAISAL OR DISSENTER'S RIGHTS**

Stockholders will not have rights of appraisal or similar dissenter's rights with respect to any matters identified in this Proxy Statement to be acted upon at the 2014 Annual Meeting.

**SOLICITATION OF PROXIES**

Proxies may be solicited by mail, facsimile, telephone, telegraph, electronic mail, in person and by advertisements. Solicitations may also be made by Quagliano and Fenton, who will not receive compensation for such solicitation. The Nominees may make solicitations of proxies, for which they will not receive compensation.

We have retained Advantage Proxy, Inc. ( Advantage ) for solicitation and advisory services in connection with solicitations relating to the 2014 Annual Meeting. Advantage will receive a retainer of \$10,000 applicable toward the final fee to be mutually agreed upon by Quagliano and Advantage and reimbursement of reasonable out-of-pocket expenses for its services to Quagliano in connection with the solicitation. Approximately 50 people may be employed by Advantage to solicit proxies from the Company s stockholders for the 2014 Annual Meeting. Quagliano has agreed to indemnify Advantage in its capacity as solicitation agent against certain liabilities and expenses in connection with the solicitation. Arrangements will also be made with custodians, nominees and fiduciaries for forwarding proxy solicitation materials to beneficial owners of Common Stock held as of the Record Date. Quagliano will reimburse such custodians, nominees and fiduciaries for reasonable expenses incurred in connection therewith.

The entire expense of soliciting proxies for the 2014 Annual Meeting by Quagliano or on Quagliano s behalf is being borne by Quagliano. Quagliano will not seek reimbursement of such costs from the Company. The expenses incurred by Quagliano or on Quagliano s behalf to date in furtherance of, or in connection with, the solicitation of proxies for the 2014 Annual Meeting is \$35,000 and Quagliano anticipates that his total expenses will be approximately \$75,000. The actual amount could be higher or lower depending on the facts and circumstances arising in connection with any such solicitation.



Table of Contents

**CERTAIN INFORMATION REGARDING QUAGLIANO AND FENTON**

*Annex A* hereto includes information pertaining to Quagliano and Fenton, including the name, present principal occupation or employment, business address and certain other information with respect to Quagliano and Fenton.

**CERTAIN RELATIONSHIPS WITH THE COMPANY**

As of the date hereof, Quagliano is the direct record and beneficial owner of 623,970 shares of Common Stock, which represents approximately 23.29% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). The date of purchase and number of shares of Common Stock purchased in the last two years is set forth in *Annex A* to this Proxy Statement. The shares of Common Stock owned by Quagliano were acquired by Quagliano using personal funds. As of the date hereof, Quagliano has pledged 623,970 of his shares to secure an aggregate of approximately \$2,730,000 of funds borrowed by Quagliano for the acquisition of his shares and other unrelated business purposes.

As of the date hereof, Mr. Griffin is the direct record and beneficial owner of 2,000 shares of Common Stock, which he owns jointly with his spouse, which represents approximately 0.07% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). Mr. Griffin's spouse separately owns beneficially, directly or indirectly, 15,500 shares of Common Stock and organizer warrants to purchase 15,500 shares of Common Stock. The shares of Common Stock owned by Mr. Griffin were acquired by Mr. Griffin using personal funds. As of the date hereof, no part of the purchase price or market value of any of the shares of Common Stock held by Mr. Griffin is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such Common Stock.

As of the date hereof, Fenton is the direct record and beneficial owner of 70,375 shares of Common Stock, of which 69,375 shares are owned directly and jointly by Fenton and his spouse and 1,000 shares are held for the benefit of the children of Fenton. As of the date hereof, Fenton also held of record or beneficially owned, organizer warrants to purchase 16,181 shares of Common Stock at a price of \$10.00 per share; and stock options to purchase 94,502 shares of Common Stock, 71,502 of which can be exercised at a price of \$ 10.00 per share, 8,000 of which can be exercised at a price of \$7.10 per share, 5,000 of which can be exercised at a price of \$4.47 per share; and 10,000 of which can be exercised at a price of \$5.36 per share. Presuming exercise of Fenton's options and warrants exercisable within 60 days of the Record Date, Fenton's interests represent approximately 6.49% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). In the past two years, Fenton purchased 42,375 shares of Common Stock, as further described in *Annex A*. Fenton used his own assets to purchase the shares of Common Stock owned by him. As of the date hereof, no part of the purchase price or market value of any of the shares of Common Stock held by Fenton is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such Common Stock.

Other than as disclosed on *Annex A*, Quagliano, Fenton and the other Nominees have not effected any transaction in securities of the Company in the past two years.

Other than as set forth in this Proxy Statement or on *Annex A* hereto, after reasonable inquiry, none of Quagliano, Fenton or the other Nominees, nor any of their respective associates, is, or was within the past year, a party to any contract, arrangement or understanding with any person with

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

respect to any of the Company's securities including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies.

Other than as set forth in this Proxy Statement or on *Annex A* hereto, after reasonable inquiry, none of Quagliano, Fenton or the other Nominees, nor any of their respective associates, (i) beneficially owns, directly or indirectly, or has the right to acquire, any securities of the Company or has effected any transaction in securities of the Company during the past two years; (ii) beneficially owns, directly or indirectly, or has the right to acquire, any securities of any parent or subsidiary of the Company or has effected any transaction in securities of any parent or

Table of Contents

subsidiary of the Company during the past two years; or (iii) owns any securities of the Company of record but not beneficially.

Other than as set forth in this Proxy Statement or on *Annex A* hereto, (i) there have been no contracts, negotiations or transactions within the past two years, between Quagliano, Fenton or the other Nominees, nor any of their respective associates, concerning any merger, consolidation, acquisition, tender offer, election of the Company's directors or the sale of a material amount of the Company's assets; (ii) none of Quagliano, Fenton or the other Nominees, nor any of their respective associates, have any other present or proposed material agreement, arrangement, understanding or relationship (with respect to any future employment, future transaction or otherwise) with the Company or any of its executive officers, directors, controlling persons, affiliates or subsidiaries; and (iii) none of Quagliano, Fenton or the other Nominees, nor any of their respective associates or majority-owned subsidiaries or immediate family members (as applicable, and as such term is described in Item 404(a) of Regulation S-K), has had or will have a direct or indirect material interest in any transaction since the beginning of the Company's last fiscal year or any currently proposed transactions in which the Company was or is to be a participant and the amount involved exceeds \$120,000.

Quagliano has been the recipient of a loan or loans from a subsidiary of the Company. Quagliano believes that such loan or loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, and (iii) did not involve more than the normal risk of collectability or present other unfavorable features. Such loan or loans have been paid by Quagliano in full. Mr. Griffin and his spouse have been the recipient of a loan or loans from a subsidiary of the Company. Such loan or loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, and (iii) did not involve more than the normal risk of collectability or present other unfavorable features. Such loan or loans have been paid by Mr. Griffin and his spouse in full. Fenton has a \$2,000 overdraft line of credit with the Company. There is no outstanding balance as of the date of this proxy.

Other than as set forth in this Proxy Statement or on *Annex A* hereto, there are no material proceedings to which any Nominee or any associate of any such Nominee is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Ms. Quagliano is the daughter of Quagliano, and Ms. Allen is the fiancée of Quagliano. Other than as set forth in this Proxy Statement or *Annex A* hereto, there are no other family relationships (as such term is defined in Item 401(d) of Regulation S-K) between any of the Nominees or between any of the Nominees and any director or executive officer of the Company or any person nominated or chosen by the Company to become a director or executive officer.

None of the Nominees is a current or former officer of the Company and none of the Nominees was an employee of the Company during fiscal year 2013. During fiscal year 2013, no executive officer of the Company served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity of which any Nominee was an executive officer.

Please refer to the Company's Proxy Statement and annual report for certain information and disclosure required by applicable law. This information and disclosure includes, among other things, securities of the Company held by the Company's directors, nominees, management and 5% stockholders, certain biographical information on the Company's directors and executive officers, information concerning all matters requiring the approval of stockholders, including the election of directors, information concerning executive compensation, information concerning the Company's procedures for nominating directors, information concerning the committees of the Company's Board, other

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

information concerning the Company's Board and procedures for submitting proposals for inclusion in the Company's Proxy Statement at the next annual meeting and information on how to obtain directions to be able to attend the 2014 Annual Meeting and vote in person. Information concerning the date by which proposals of security holders intended to be presented at the next annual meeting of stockholders must be received by the Company for inclusion in the Company's Proxy Statement and form of proxy for that meeting is also

Table of Contents

contained in the Company's Proxy Statement. This information is contained in the Company's public filings and the Company Stockholders should refer to the Company's Proxy Statement and its other public filings in order to review this disclosure. In accordance with Rule 14a-5(c) of the Exchange Act, such information has not been reproduced in this Proxy Statement.

**CERTAIN ADDITIONAL INFORMATION**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of this Proxy Statement may have been sent to multiple stockholders in your household. Quagliano will promptly deliver a separate copy of the document to you if you write to our proxy solicitor, Advantage Proxy, Inc., at the following address or phone number: P.O. Box 13581, Des Moines, WA 98198, or call toll free at (877) 870-8565. If you want to receive separate copies of our proxy materials in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact our proxy solicitor at the above address and phone number.

The information concerning the Company and the proposals in the Company's Proxy Statement contained in this Proxy Statement has been taken from, or is based upon, publicly available documents on file with the SEC and other publicly available information. Although we have no knowledge that would indicate that statements relating to the Company contained in this Proxy Statement, in reliance upon publicly available information, are inaccurate or incomplete, to date we have not had access to the books and records of the Company, were not involved in the preparation of such information and statements and are not in a position to verify such information and statements.

This Proxy Statement is dated May 5, 2014. You should not assume that the information contained in this Proxy Statement is accurate as of any date other than such date, and the mailing of this Proxy Statement to Stockholders shall not create any implication to the contrary.

**YOUR VOTE IS IMPORTANT, NO MATTER HOW FEW SHARES YOU OWN. QUAGLIANO URGES YOU TO SIGN, DATE AND RETURN THE ENCLOSED BLUE PROXY FORM TODAY TO VOTE FOR THE PROPOSAL TO APPROVE AN AMENDMENT TO THE BY-LAWS TO REDUCE THE NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE, FOR THE ELECTION OF OUR NOMINEES, AND FOR THE COMPANY'S PROPOSAL TO RATIFY THE SELECTION BY THE AUDIT COMMITTEE OF THE FIRM OF MCGLADREY LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014.**

May 5, 2014

Thank you for your support.

MICHAEL D. QUAGLIANO

ROBERT J. FENTON

LARS JOHNSON

JACKSON LOUNSBERRY

CARLYLE F. GRIFFIN

DREW QUAGLIANO

MELISSA ALLEN

**[Remainder of page intentionally left blank]**

Table of Contents

ANNEX A

**INFORMATION CONCERNING THE PARTICIPANTS IN THE SOLICITATION**

Quagliano, Fenton and the Nominees comprise the participants in the solicitation of proxies from Stockholders to vote in favor of the election of the Nominees to serve as directors on the Company's Board, to vote in favor of Quagliano's proposal to approve an amendment to the Company's By-Laws to reduce the number of directors serving on the Board to five and to vote in favor of the Company's proposal to ratify the selection by the audit committee of the firm of McGladrey LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014, in each case as described further in this Proxy Statement. Information regarding the participants in the solicitation is set forth below. The terms associate, affiliate and participant used in connection with the statements in this *Annex A* have the meaning ascribed to them in the Exchange Act.

Except as described herein, none of Quagliano, Fenton or any of the Nominees beneficially own any securities of the Company or have any personal ownership interest, direct or indirect, in any securities of the Company. Set forth in this *Annex A* are transactions in the Company's securities effected by the participants hereto within the past two years.

As of the date hereof, Quagliano is the direct record and beneficial owner of 623,970 shares of Common Stock, which represents approximately 23.29% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). The date of purchase and number of shares of Common Stock purchased in the last two years is set forth in *Annex A* to this Proxy Statement. Quagliano used his own assets to purchase the shares of Common Stock owned by him. As of the date hereof, Quagliano has pledged 623,970 of his Shares to secure an aggregate of approximately \$2,730,000 of funds borrowed by Quagliano for the acquisition of the Shares and other unrelated business purposes.

As of the date hereof, Mr. Griffin is the direct record and beneficial owner of 2,000 shares of Common Stock, which he owns jointly with his spouse, which represents approximately 0.07% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). Mr. Griffin's spouse, Ms. Christine Johnson, whose address is 13905 N. Riverbluff Lane, Spokane, WA 99208, separately owns beneficially, directly or indirectly, 15,500 shares of Common Stock and organizer warrants to purchase 15,500 shares of Common Stock. None of Mr. Griffin's shares of Common Stock were purchased in the last two years. Mr. Griffin used his own assets to purchase the shares of Common Stock owned by him. As of the date hereof, no part of the purchase price or market value of any of the shares of Common Stock held by Mr. Griffin is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such Common Stock.

As of the date hereof, Fenton is the direct record and beneficial owner of 70,375 shares of Common Stock, of which 69,375 shares are owned directly and jointly by Fenton and his spouse and 1,000 shares are held for the benefit of the children of Fenton. As of the date hereof, Fenton also held of record or beneficially owned, organizer warrants to purchase 16,181 shares of Common Stock at a price of \$10.00 per share; and stock options to purchase 94,502 shares of Common Stock, 71,502 of which can be exercised at a price of \$ 10.00 per share, 8,000 of which can be exercised at a price of \$7.10 per share, 5,000 of which can be exercised at a price of \$4.47 per share; and 10,000 of which can be exercised at a price of \$5.36 per share. Presuming exercise of Fenton's options and warrants exercisable within 60 days of the Record Date, Fenton's interests represent approximately 6.49% of the issued and outstanding shares of Common Stock (based on information disclosed in the Company's Proxy Statement regarding the number of issued and outstanding shares of Common Stock on March 31, 2014). In the past two years, Fenton purchased 42,375 shares of Common Stock, as further described in this *Annex A*. Fenton used his own assets to purchase the shares of Common Stock owned by him. As of the date hereof, no part of the purchase price or market value of any of the shares of Common Stock held by Fenton

Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such Common Stock.

A-1

---



Table of Contents

During the past ten years, none of Quagliano, Fenton or any of the Nominees has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

Except as described herein or in the Proxy Statement, none of Quagliano, Fenton or any of the Nominees is, or has been within the past year, a party to any contract, arrangement or understanding with any person with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profit, or the giving or withholding of proxies.

Quagliano has been the recipient of a loan or loans from a subsidiary of the Company. Quagliano believes that such loan or loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, and (iii) did not involve more than the normal risk of collectability or present other unfavorable features. Such loan or loans have been paid by Quagliano in full. Mr. Griffin and his spouse have been the recipient of a loan or loans from a subsidiary of the Company. Such loan or loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, and (iii) did not involve more than the normal risk of collectability or present other unfavorable features. Such loan or loans have been paid by Mr. Griffin and his spouse in full.

Except as described herein or in the Proxy Statement, none of Quagliano, Fenton or any of the Nominees is the record or beneficial owner of any securities of the Company, or any parent or subsidiary of the Company.

None of the Nominees has been involved in any legal proceedings during the past ten years that would be required to be disclosed under Item 401(f) of Regulation S-K.

**PERSONS MAKING THE SOLICITATION:**

The name, principal business address and the principal occupation or employment of Quagliano is as follows: Michael D. Quagliano is a United States citizen and his principal business address is 3520 Broadway, Quincy, Illinois 62301. Quagliano's principal business is as owner and operator of restaurant franchises and commercial properties. See additional information regarding Quagliano in this Proxy Statement and *Annex A*.

The name, principal business address and the principal occupation or employment of Fenton is as follows: Robert J. Fenton is a United States citizen and his principal business address is 876 Wolverine Ct., Castle Rock, Colorado 80108. Fenton is currently unemployed. See additional information regarding Fenton in this Proxy Statement and *Annex A*.

Fenton was employed by the Company from September 2007 until his termination by the Company on March 21, 2014, serving most recently as the Company's Executive Vice President, Chief Financial Officer and Secretary. Fenton served as a director of the Issuer from January 2006 to December 2006. Other than as a stockholder of the Company and as a former officer of the Company as described herein, Fenton does not have

## Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the 2014 Annual Meeting.

The Company had an employment agreement with Fenton regarding his employment as Executive Vice President, Chief Financial Officer and Secretary of the Company and Chief Financial Officer and Chief Operating Officer of Solera National Bank. The agreement commenced on September 10, 2010. Under the terms of the agreement, Fenton received a base salary of \$165,000 per year, subject to a reasonable increase determined by the Compensation Committee. During 2013, Fenton's base salary was \$175,000. Fenton participated in the Company's stock incentive plans. Fenton also received other customary benefits such as health insurance for himself and his dependents, dental insurance, sick leave and vacation, membership fees to banking and professional organizations, use of a cell phone and laptop, and reimbursement of reasonable business expenses. In addition, Solera National Bank provided Fenton with term life insurance coverage of two times his annual salary. Effective March 21, 2014, Solera National Bank terminated Fenton's employment agreement for no reason. As such, Fenton is entitled to

Table of Contents

receive a severance payment in an amount of \$87,500 in accordance with the Separation Agreement executed between the Company and Fenton.

Neither Fenton nor his associates have any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates or with respect to any future transactions to which the Company or any of its affiliates will or may be a party.

**TRANSACTIONS IN THE SECURITIES OF THE COMPANY:**

Other than as set forth in this *Annex A* or elsewhere in this Proxy Statement, none of Quagliano, Fenton or any of the Nominees is the record or beneficial owner of any securities of the Company, or any parent or subsidiary of the Company.

Other than as set forth in this *Annex A* or elsewhere in this Proxy Statement, none of Quagliano, Fenton or any of the Nominees has effected any transactions in any securities of the Company in the last two years.

**Transactions by Quagliano in Last Two Years****Common Stock**

Security Description	Trade Date	Buy/Sell	Trade Quantity
SLRK	09/10/12	B	3,000
SLRK	10/22/12	B	2,700
SLRK	12/13/12	B	25,600
SLRK	12/14/12	B	10,000
SLRK	12/19/12	B	15,000
SLRK	12/24/12	B	5,100
SLRK	03/25/13	B	1,300
SLRK	03/28/13	B	32,500
SLRK	05/08/13	B	2,500
SLRK	05/10/13	B	3,000
SLRK	05/20/13	B	2,500
SLRK	05/31/13	B	5,200
SLRK	05/31/13	B	35,560
SLRK	06/07/13	B	1,500
SLRK	07/15/13	B	4,000
SLRK	07/23/13	B	55,000
SLRK	07/24/13	B	4,000
SLRK	08/30/13	B	6,000
SLRK	09/04/13	B	2,844
SLRK	10/11/13	B	1,300

Edgar Filing: Solera National Bancorp, Inc. - Form DEFN14A

SLRK	02/11/14	B	2,500
SLRK	02/13/14	B	7,896
SLRK	02/21/14	B	7,500
SLRK	02/25/14	B	1,000
SLRK	03/18/14	B	19,500

A-3

---

Table of Contents**Transactions by Fenton in Last Two Years****Common Stock**

<b>Security Description</b>	<b>Trade Date</b>	<b>Buy/Sell</b>	<b>Trade Quantity</b>
SLRK	08/02/12	B	1,500
SLRK	12/14/12	B	5,000
SLRK	05/08/13	B	6,000
SLRK	05/17/13	B	2,500
SLRK	06/12/13	B	2,375
SLRK	02/28/14	B	7,500(1)
SLRK	02/28/14	B	2,500(1)
SLRK	03/26/14	B	5,000(1)
SLRK	03/26/14	B	2,500(1)
SLRK	03/26/14	B	7,500(1)

---

(1)Purchase was made by Fenton through the exercise of options.

Table of Contents

**ANNEX B**

**PROPOSED AMENDMENT TO THE BY-LAWS**

*Proposed Amendment to the By-Laws*

**Article III Directors**

Section 2. Number of Directors. The number of directors of the corporation shall be five (5). The board of directors may increase or decrease the number of directors of the corporation from time to time, but in no event shall the number of directors of the corporation be greater than twenty-five (25) or less than five (5). Whenever the number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors for the balance of the term and until their successors are chosen and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

B-1

---

Table of Contents

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

**The Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).**

**BLUE PROXY**

**PROXY FOR 2014 ANNUAL MEETING OF STOCKHOLDERS OF**

**SOLERA NATIONAL BANCORP, INC.**

**THIS PROXY IS SOLICITED ON BEHALF OF MICHAEL D. QUAGLIANO, ROBERT J. FENTON, LARS JOHNSON, JACKSON LOUNSBERRY, CARLYLE F. GRIFFIN, DREW QUAGLIANO AND MELISSA ALLEN AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OF SOLERA NATIONAL BANCORP, INC.**

The undersigned stockholder of Solera National Bancorp, Inc., a Delaware corporation (the Company), hereby constitutes and appoints Michael D. Quagliano as proxy, with full power of substitution, and hereby authorizes him to represent and to vote, as designated on the reverse side of this proxy, all of the shares of common stock of the Company registered in the name of the undersigned, as of March 31, 2014, at the 2014 Annual Meeting of Stockholders to be held on Thursday, May 22, 2014, at 10:00 a.m., local time, at Pinehurst Country Club, 6255 West Quincy Avenue, Denver, Colorado 80235, and at any and all adjournments or postponements thereof. Receipt of the Notice of 2014 Annual Meeting and Proxy Statement is hereby acknowledged.

If shares of Solera National Bancorp, Inc. Common Stock are issued to or held for the account of the undersigned under employee plans and voting rights attached to such shares (any of such Plans, a Voting Plan), then the undersigned hereby directs the respective fiduciary of each applicable Voting Plan to vote all shares of Solera National Bancorp, Inc. Common Stock in the undersigned's name and/or account under such Voting Plan in accordance with the instructions given herein, at the 2014 Annual Meeting and at any adjournments or postponements thereof, on all matters properly coming before the Annual Meeting and on which Stockholders are entitled to vote.

UNLESS OTHERWISE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE PROPOSAL TO APPROVE AN AMENDMENT TO THE BY-LAWS TO REDUCE THE NUMBER OF DIRECTORS SERVING ON THE BOARD TO FIVE; FOR THE ELECTION OF MESSRS. JOHNSON, LOUNSBERRY, QUAGLIANO AND GRIFFIN AND MSES. QUAGLIANO AND ALLEN; FOR THE COMPANY'S PROPOSAL TO RATIFY THE SELECTION BY THE AUDIT COMMITTEE OF THE FIRM OF MCGLADREY LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014; AND IN THE PROXY HOLDERS' DISCRETION AS TO OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE 2014 ANNUAL MEETING.

**This proxy revokes all prior proxies given by the undersigned with respect to the 2014 Annual Meeting.**

**YOUR VOTE IS VERY IMPORTANT PLEASE VOTE YOUR PROXY TODAY!**

(continued and to be signed and dated on reverse side)

---



Table of Contents

**FORM OF PROXY**

**Solera National Bancorp, Inc.**

**Mr. Michael Quagliano**

**c/o Advantage Proxy, Inc.**

**PO Box 13581**

**Des Moines, WA 98198**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**Vote by phone 800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**Vote by Mail**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

---

Table of Contents

**BLUE PROXY FORM**

**THIS PROXY FORM IS VALID ONLY WHEN SIGNED AND DATED**

**MR. QUAGLIANO RECOMMENDS THAT YOU VOTE *FOR* PROPOSAL 1 BELOW:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1. To approve an amendment to the Company's By-Laws to reduce the number of directors serving on the Board to five.	o	o	o

**MR. QUAGLIANO RECOMMENDS THAT YOU VOTE *FOR* ALL OF THE DIRECTORS SET FORTH BELOW BY MARKING THE *FOR* BOX FOR EACH NOMINEE:**

<b>2. Election of Directors</b>	<b>FOR</b>	<b>WITHHOLD</b>
Nominees:		
(01) Lars Johnson	o	o
(02) Jackson Lounsberry	o	o
(03) Michael D. Quagliano	o	o
(04) Carlyle F. Griffin	o	o
(05) Drew Quagliano	o	o
(06) Melissa Allen	o	o

QUAGLIANO INTENDS TO USE THIS PROXY TO VOTE *FOR* LARS JOHNSON, JACKSON LOUNSBERRY, MICHAEL D. QUAGLIANO, CARLYLE F. GRIFFIN, DREW QUAGLIANO AND MELISSA ALLEN. IF YOU DO NOT WISH FOR YOUR SHARES TO BE VOTED *FOR* A PARTICULAR NOMINEE, MARK THE *WITHHOLD* BOX FOR THAT NOMINEE

**MR. QUAGLIANO RECOMMENDS THAT YOU VOTE *FOR* PROPOSAL 3 BELOW:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
3. To ratify the selection by the audit committee of the firm of McGladrey LLP as the company's independent registered public accounting firm for the fiscal year ending December 31, 2014.	o	o	o

Other Matters: To vote in their discretion on all other matters as may properly come before the 2014 Annual Meeting and on which the Stockholders are entitled to vote.



Table of Contents

IF YOU DO NOT MARK ANY BOXES, YOUR SHARES OF COMMON STOCK WILL BE VOTED (I) "FOR" PROPOSAL 1 TO APPROVE THE AMENDMENT TO THE COMPANY'S BY-LAWS; (II) "FOR" EACH OF MR. QUAGLIANO'S NOMINEES; (III) "FOR" PROPOSAL 3 TO RATIFY THE SELECTION BY THE AUDIT COMMITTEE OF THE FIRM OF MCGLADREY LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; AND (IV) IN THE PROXY HOLDERS' DISCRETION AS TO OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE 2014 ANNUAL MEETING.

Please sign exactly as your name appears on this proxy. If shares of Common Stock are held by joint tenants, both holders should sign. When signing as executor, administrator, attorney, trustee, guardian or other representative, please give full title as such. If signing on behalf of a corporation, please sign in full corporate name by an authorized officer. If signing on behalf of a partnership, please sign in full partnership name by an authorized person.

**Dated:**

---

---

**Signature of Stockholder**

---

**Signature of Stockholder (if held jointly)**

---