

MSB FINANCIAL CORP.
Form DEF 14A
October 19, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

MSB FINANCIAL CORP.
(Name of Registrant as Specified in its Charter)

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

Payment of filing fee (Check the appropriate box):

No fee required
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

[MSB Financial Corp. Letterhead]

October 19, 2012

Dear Fellow Stockholders:

On behalf of the Board of Directors and management of MSB Financial Corp. (the “Company”), I cordially invite you to attend our Annual Meeting of Stockholders (the “Meeting”) to be held at the Grain House at The Olde Mill Inn, 225 Route 202 North, Basking Ridge, New Jersey 07920, on November 19, 2012, at 2:00 p.m. The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be transacted at the Meeting.

The business to be conducted at the Meeting consists of (i) the election of two directors; and (ii) the ratification of the appointment of independent auditors for the year ending June 30, 2013. The Company’s Board of Directors unanimously recommends a vote “FOR” each matter to be considered.

Even if you plan to attend the meeting, please sign, date and return the proxy card in the enclosed envelope immediately. This will not prevent you from voting in person at the Meeting, but will assure that your vote is counted if you are unable to attend the Meeting.

Sincerely,

/s/ Michael A. Shriner

Michael A. Shriner
President and Chief Executive
Officer

MSB FINANCIAL CORP.
1902 LONG HILL ROAD
MILLINGTON, NEW JERSEY 07946

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON NOVEMBER 19, 2012

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of MSB Financial Corp. (the "Company") will be held at the Grain House at The Olde Mill Inn, 225 Route 202 North, Basking Ridge, New Jersey 07920, on November 19, 2012, at 2:00 p.m. The Meeting is for the purpose of considering and acting upon the following matters:

1. The election of two directors of the Company;
2. The ratification of the appointment of ParenteBeard, LLC as the Company's independent auditor for the year ending June 30, 2013; and
3. The transaction of such other business as may properly come before the Meeting, or any adjournments thereof.

The Board of Directors is not aware of any other business to come before the Meeting.

The Board of Directors of the Company has determined that the matters to be considered at the Meeting, described in the accompanying Notice of Annual Meeting and Proxy Statement, are in the best interest of the Company and its stockholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote "FOR" each matter to be considered.

Action may be taken on any one of the foregoing proposals at the Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Meeting may be adjourned. Pursuant to the Company's bylaws, the Board of Directors has fixed the close of business on September 28, 2012 as the record date for determination of the stockholders entitled to vote at the Meeting and any adjournments thereof.

HETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE REQUESTED TO SIGN, DATE AND RETURN THE PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE. You may revoke your proxy by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. If you are present at the Meeting, you may revoke your proxy and vote in person on each matter brought before the Meeting. However, if you are a stockholder whose shares are not registered in your own name, you will need additional documentation from your record holder to vote in person at the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Nancy E. Schmitz

Nancy E. Schmitz
Corporate Secretary

Millington, New Jersey
October 19, 2012

Important Notice Regarding Internet
Availability of Proxy Materials
For the Shareholder Meeting to be
Held on November 19, 2012
The Proxy Statement and Annual Report to
Shareholders are available at
www.millingtonsb.com./about-us/investor-relations.html

PROXY STATEMENT
OF
MSB FINANCIAL CORP.
1902 LONG HILL ROAD
MILLINGTON, NEW JERSEY 07946

ANNUAL MEETING OF STOCKHOLDERS
November 19, 2012

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of MSB Financial Corp. (the “Company”) to be used at the Annual Meeting of Stockholders of the Company which will be held at the Grain House at The Olde Mill Inn, 225 Route 202 North, Basking Ridge, New Jersey 07920, on November 19, 2012, at 2:00 p.m. (the “Meeting”). The accompanying Notice of Annual Meeting of Stockholders and this Proxy Statement are being first mailed to stockholders on or about October 19, 2012.

At the Meeting, stockholders will consider and vote upon (i) the election of two directors of the Company; and (ii) the ratification of the appointment of ParenteBeard, LLC (“ParenteBeard”) as the Company’s independent auditor for the fiscal year ending June 30, 2013. At the time this Proxy Statement is being mailed, the Board of Directors knows of no additional matters that will be presented for consideration at the Meeting. If any other business may properly come before the Meeting or any adjournment thereof, proxies given to the Board of Directors will be voted by its members in accordance with their best judgment. The Company is the parent company of Millington Savings Bank (the “Bank”). The Company is the majority-owned subsidiary of MSB Financial, MHC a federally-chartered mutual holding company.

VOTING AND PROXY PROCEDURES

Who Can Vote at the Meeting

You are only entitled to vote at the Meeting if our records show that you held shares of our common stock, \$.01 par value (the “Common Stock”), as of the close of business on September 28, 2012 (the “Record Date”). If your shares are held by a broker or other intermediary, you can only vote your shares in person at the Meeting if you have a properly executed proxy from the record holder of your shares (or their designee). As of the Record Date, a total of 5,048,455 shares of Common Stock were outstanding. Each share of Common Stock has one vote in each matter presented.

Voting by Proxy

The Board of Directors is sending you this Proxy Statement for the purpose of requesting that you allow your shares of Common Stock to be represented at the Meeting by the persons named in the enclosed Proxy Card. All shares of Common Stock represented at the Meeting by properly executed and dated proxies will be voted according to the instructions indicated on the Proxy Card. If you sign, date and return the Proxy Card without giving voting

instructions, your shares will be voted as recommended by the Company's Board of Directors. The Board of Directors recommends a vote "FOR" each of its nominees for director and "FOR" the ratification of the appointment of ParenteBeard, LLC as the Company's independent auditors for the fiscal year ending June 30, 2013.

If any matters not described in this Proxy Statement are properly presented at the Meeting, the persons named in the Proxy Card will vote your shares as determined by a majority of the Board of Directors. If the Meeting is postponed or adjourned, your Common Stock may be voted by the persons named in the Proxy Card on the new Meeting dates as well, unless you have revoked your proxy. The Company does not know of any other matters to be presented at the Meeting.

You may revoke your proxy at any time before the vote is taken at the Meeting. To revoke your proxy you must either advise the Company's Secretary in writing before your Common Stock has been voted at the Meeting, deliver a later-dated proxy, or attend the Meeting and vote your shares in person. Attendance at the Meeting will not in itself revoke your proxy.

If you hold your Common Stock in "street name," you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other nominee that accompanies this Proxy Statement. If you wish to change your voting instructions after you have returned a voting instruction form to your broker, bank or other nominee, you must contact your broker, bank or other nominee. Please note that your brokerage firm or other nominee may no longer vote your shares with respect to Proposal One without specific instructions from you as to how to vote with respect to the election of each of the two nominees for director, because the election of directors is no longer considered a "routine" matter under the NYSE rules.

Internet Access to Proxy Materials

Copies of this Proxy Statement and the 2012 Annual Report on Form 10-K are available on the internet at www.millingtonsb.com/about-us/investor-relations.html. Stockholders can elect to receive future proxy statements and annual reports over the internet rather than in printed form. Stockholders of record can make this election by calling toll-free to 877-274-2040 or sending an e-mail to investorinfo@millingtonsb.com. If you hold your shares in street name, please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to access future proxy materials over the internet.

Participants in the Millington Savings Bank Employee Stock Ownership Plan Trust and the Savings Plan

If you are a participant in the Millington Savings Bank Employee Stock Ownership Plan Trust (the "ESOP") or hold Common Stock through the Millington Savings Bank Savings Plan (the "401(k) Plan"), you will receive a voting instruction form on behalf of each plan that reflects all shares you may vote under these plans. Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustees, but each participant in the ESOP may direct the trustees on how to vote the shares of Common Stock allocated to his or her account. Unallocated shares and allocated shares for which no timely voting instructions are received will be voted by the ESOP trustees as directed by the ESOP Committee consisting of the outside directors of the Board. Under the terms of the 401(k) Plan, you are entitled to direct the trustee how to vote the shares of Common Stock credited to your account in the 401(k) Plan. The 401(k) Plan trustee will vote all shares for which it does not receive timely instructions from participants at the direction of the Company's Board of Directors or the Plan Committee of the Board. The deadline for returning your voting instruction form is November 12, 2012.

Vote Required

The presence in person or by proxy of at least a majority of the outstanding Common Stock entitled to vote is necessary to constitute a quorum at the Meeting. With respect to any matter, broker

non-votes (i.e., shares for which a broker indicates on the proxy that it does not have discretionary authority as to such shares to vote on such matter) will be considered present for purposes of determining whether a quorum is present.

As to the election of directors (Proposal I), the proxy provided by the Board of Directors allows a stockholder to vote for the election of the nominees, or to withhold authority to vote for the nominees being proposed. Under the Company's bylaws, directors are elected by a plurality of votes cast, without regard to either (i) broker non-votes or (ii) proxies as to which authority to vote for the nominees being proposed is withheld.

Concerning all other matters that may properly come before the Meeting, including the ratification of the independent auditors (Proposal II) by checking the appropriate box, a stockholder may: vote "FOR" the item, vote "AGAINST" the item, or "ABSTAIN" with respect to the item. Approval of Proposal II requires a majority of votes cast affirmatively or negatively without regard to broker non-votes or proxies marked "ABSTAIN" as to that matter.

PRINCIPAL HOLDERS OF OUR COMMON STOCK

The following table sets forth, as of the Record Date, certain information as to those persons who were known to be the beneficial owners of more than five percent (5%) of the Company's outstanding shares of Common Stock and as to the shares of Common Stock beneficially owned by all executive officers and directors of the Company as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding (2)
PL Capital Group 20 E. Jefferson Avenue Naperville, Illinois 60540	422,973(3)	8.38%
MSB Financial, MHC 1902 Long Hill Road Millington, New Jersey 07946	3,091,344	61.23%
All directors and executive officers as a group (9 persons)	417,366(4)	7.95%

(1) For purposes of this table, a person is deemed to be the beneficial owner of shares of Common Stock if he or she has or shares voting or investment power with respect to such shares or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct, and the named persons or group exercise sole voting and investment power over the shares of the Common Stock.

(2) In calculating the percentage ownership of an individual or group, the number of shares outstanding is deemed to include any shares which the individual or group have the right to acquire through the exercise of options or otherwise within 60 days of the Record Date.

(3) Based on a Schedule 13D/A dated December 11, 2007 and filed on December 17, 2007.

(4) Includes 22,949 shares allocated to the accounts of executive officers under the ESOP. Includes 200,499 shares which the directors and executive officers have the right to acquire pursuant to the exercise of options within 60 days of the Record Date.

 PROPOSAL I – ELECTION OF DIRECTORS

The Company's Charter requires that the Board of Directors be divided into three classes, as nearly equal in number as possible, each class to serve for a three-year period, with approximately one-third of the directors elected each year. The Board of Directors currently consists of seven members. Two directors will be elected at the Meeting, to serve for a three-year term and until their successors have been elected and qualified.

Gary T. Jolliffe and Albert N. Olsen have been nominated by the Board of Directors to serve as directors. Each nominee is currently a member of the Board of Directors. It is intended that proxies solicited by the Board of Directors will, unless otherwise specified, be voted for the election of the named nominees. If any of the nominees is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend or the size of the Board may be reduced to eliminate the vacancy. At this time, the Board of Directors knows of no reason why any of the nominees might be unavailable to serve.

Set forth below is information about the Company's and the Bank's directors and executive officers and other senior management employees. Each director serves as a director of the Company and the Bank as well as MSB Financial, MHC.

Name and Positions with Company	Age	Year First Elected as Director of the Bank	Current Term to Expire	Shares of Common Stock Beneficially Owned (1)(2)	Percent of Class (3)
BOARD NOMINEES FOR TERMS TO EXPIRE IN 2015					
Gary T. Jolliffe Director	68	1992	2012	91,129(4)	1.79%
Albert N. Olsen Chairman of the Board	77	1974	2012	76,740(5)	1.52%
DIRECTORS CONTINUING IN OFFICE					
E. Haas Gallaway, Jr. Director	71	1987	2013	40,707(5)	*
W. Scott Gallaway Director	66	2000	2013	30,219(5)	*
Michael A. Shriner President, Chief Executive Officer and Director	48	1999	2013	70,445(6)	1.46%
Thomas G. McCain Director	74	1992	2014	38,671(5)	*
Ferdinand J. Rossi Director	69	1975	2014	28,507(5)	*

EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

Jeffrey E. Smith Vice President and Chief Financial Officer	62	N/A	N/A	24,013(7)	*
Nancy E. Schmitz Vice President and Corporate Secretary	56	N/A	N/A	16,935(8)	*

(footnotes on following page)

* Less than 1.0% of shares outstanding.

- (1) As of the Record Date.
- (2) Includes stock held in joint tenancy; stock owned as tenants in common; stock owned or held by a spouse or other member of the individual's household; stock allocated through certain employee benefit plans of the Company; stock in which the individual either has or shares voting and/or investment power and shares which the individual has the right to acquire at any time within 60 days of the Record Date. Each person or relative of such person whose shares are included herein exercises sole or shared voting and dispositive power as to the shares reported.
- (3) In calculating the percentage ownership of an individual or group, the number of shares outstanding is deemed to include any share which the individual or group has the right to acquire through the exercise of options or otherwise within 60 days of the Record Date.
- (4) Includes 8,763 shares allocated to Mr. Jolliffe's account under the ESOP. Includes 48,472 shares which Mr. Jolliffe has the right to acquire pursuant to the exercise of options within 60 days of the Record Date.
- (5) Includes 15,423 shares with the individual has the right to acquire pursuant to the exercise of options within 60 days of the Record Date.
- (6) Includes 6,084 shares allocated to Mr. Shriner's account under the ESOP. Includes 44,066 shares which Mr. Shriner has the right to acquire pursuant to the exercise of options within 60 days of the Record Date.
- (7) Includes 4,386 shares allocated to Mr. Smith's account under the ESOP. Includes 17,626 shares which Mr. Smith has the right to acquire pursuant to the exercise of options within 60 days of the Record Date.
- (8) Includes 3,716 shares allocated to Ms. Schmitz's account under the ESOP. Includes 13,219 shares which Ms. Schmitz has the right to acquire pursuant to the exercise of options within 60 days of the Record Date.

Biographical Information

Set forth below is the business experience for the past five years of each of the directors and executive officers of the Company. These biographies contain information regarding the person's service as a director, business experience, other directorships at any point during the last five years with any other public companies, information regarding involvement with certain types of proceedings, if applicable, and the experience, qualifications, attributes or skills that caused the Nominating Committee and the Board to nominate the individual for re-election to the Board in 2012.

Nominees for Director:

Gary T. Jolliffe served as President and Chief Executive Officer of the Company and the Bank until his retirement on December 31, 2011. Mr. Jolliffe joined the Bank in 1986 as its executive vice president and was appointed as its president in 1990. In 1992, he was also appointed to the position of chief executive officer and became a director. Mr. Jolliffe was a member of the Board of Governors of the New Jersey League of Community Bankers from 1999 through 2007 serving in numerous positions, including chairman of the New Jersey League of Community Bankers from 2004 to 2005. Mr. Jolliffe is a past member of the Board of Trustees of Freedom House Foundation, Glen Gardner, New Jersey, and a member of the Bernardsville Rotary Club in which he has held the positions of director, president, vice president and treasurer. Mr. Jolliffe's 49 years of banking experience including nearly 27 years with the Bank and the Company combined with his knowledge of the communities make him an integral member of the Company's Board of Directors.

Albert N. Olsen was elected chairman of the Board in 1999. He is a certified public accountant and is Vice-President of Olsen & Thompson, P.A., a CPA firm established in 1961. In addition, he is a member of Olsen & Thompson Investment Advisory Services, LLC. Mr. Olsen is a member of the New Jersey Society of Certified Public Accountants and has served in various positions with the Society, including chairman of the Committee for Management of Accounting Practices, trustee, treasurer, vice president, president of the Morris-Sussex-Warren Chapter and chairman of the Board and trustee of the Society's Insurance Trust. Mr. Olsen is also a member of the

American Institute of Certified Public Accountants, a trustee and past chairman of the Board of the Midland School Foundation and a past board member of Mrs. Wilson's (Halfway House). He is a member and past president of the Bernardsville Rotary Club. Mr. Olsen brings to the Board not only the knowledge he has gained from his nearly 40

years of service as a director but also the critical accounting and finance expertise he has gained through his position as a CPA and founding member of a local firm.

The Board of Directors unanimously recommends that stockholders vote “FOR” the election of the nominees.

Continuing Directors:

E. Haas Gallaway, Jr. served as president of Gallaway and Crane Funeral Home with principal offices located in Basking Ridge and a branch location located in Bernardsville, New Jersey until his retirement in September 2012. Mr. Gallaway will remain with the company as a Vice President. This firm was founded by his father, E. Haas Gallaway, Sr., in Millington in 1935 and moved to its present location in Basking Ridge in 1936. Mr. Gallaway has been associated with the firm since 1960, purchased a minority position in the firm in 1963 and the remainder of the corporation in 1976. He is a licensed funeral director in the states of New Jersey and Florida. Mr. Gallaway is a member and past president of the Morris County Funeral Directors’ Association, member of The New Jersey State Funeral Directors’ Association, member of National Funeral Directors’ Association, and member and past president of the Bernardsville Rotary Club, former director and past president of the Somerset Hills YMCA, and a past p