

CITIZENS HOLDING CO /MS/  
Form DEF 14A  
March 20, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**SCHEDULE 14A INFORMATION**

**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 Pursuant to Rule 14a-12

**CITIZENS HOLDING COMPANY**

(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.

## Edgar Filing: CITIZENS HOLDING CO /MS/ - Form DEF 14A

(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:

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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**Citizens Holding Company**

**521 Main Street**

**Philadelphia, Mississippi 39350**

March 20, 2014

Dear Fellow Shareholders:

On behalf of our Board of Directors, we cordially invite you to attend the 2014 Annual Meeting of Shareholders of Citizens Holding Company. The Annual Meeting will be held beginning at 4:30 p.m., Central time, on Tuesday, April 22, 2014, at the main office of The Citizens Bank of Philadelphia, 521 Main Street, Philadelphia, Mississippi 39350. The formal notice of the Annual Meeting appears on the next page.

The Annual Meeting has been called for the following purposes: (1) to set the number of directors to serve on the Board of Directors at ten; (2) to elect four Class III directors, each for a three-year term; (3) to approve an advisory (non-binding) vote on our executive officer compensation; (4) to ratify our Board of Directors' appointment of our independent public accountants for the fiscal year ending December 31, 2014; and (5) to transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

The accompanying proxy statement provides detailed information concerning the matters to be voted on at the Annual Meeting. We are first distributing this proxy statement and accompanying proxy card to our shareholders on or about March 20, 2014. We urge you to review this proxy statement and each of the proposals carefully. Regardless of the number of shares you own, it is important that your views be represented regardless of whether you are able to be present at the Annual Meeting. Please take a moment now to sign, date and mail the enclosed proxy card in the postage prepaid envelope. Our Board of Directors recommends a vote **FOR** each proposal.

We are grateful for our shareholders' continued interest in Citizens Holding Company and are pleased that in the past so many of you have voted your shares either in person or by proxy. We hope you will continue to do so and again urge you to return your proxy card as soon as possible.

Sincerely,

Greg L. McKee  
President and Chief Executive Officer

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**Citizens Holding Company**

**521 Main Street**

**Philadelphia, Mississippi 39350**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

TIME: 4:30 p.m., Central time, on Tuesday, April 22, 2014

PLACE: The Citizens Bank of Philadelphia

521 Main Street

Philadelphia, Mississippi 39350

ITEMS OF BUSINESS:

- (1) To set the number of directors to serve on our Board of Directors at ten;
- (2) To elect four Class III directors who will each serve a three-year term expiring in 2017;
- (3) To approve an advisory (non-binding) vote on our executive officer compensation;
- (4) To consider and act upon a proposal to ratify and approve the selection of HORNE LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and
- (5) To transact any other business that may properly come before the Annual Meeting or any adjournments thereof.

RECORD DATE: You can vote if you are a shareholder of record as of the close of business on March 13, 2014.

ANNUAL REPORT: Our 2013 Annual Report, which is not a part of the proxy solicitation material, is enclosed.

PROXY VOTING: It is important that your shares be represented and voted at the Annual Meeting. Please mark, sign, date and promptly return the enclosed proxy card in the postage paid envelope. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting.

INTERNET AVAILABILITY: Important notice regarding the availability of proxy materials for the Annual Meeting of Shareholders to be held on April 22, 2014. The proxy statement, proxy card and annual report are available at [citizensholdingcompany.com/proxymaterials](http://citizensholdingcompany.com/proxymaterials).

By Order of the Board of Directors

Carolyn K. McKee  
Secretary

Philadelphia, Mississippi

March 20, 2014

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**CITIZENS HOLDING COMPANY**

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**CITIZENS HOLDING COMPANY**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD TUESDAY, APRIL 22, 2014**

This proxy statement is furnished to the shareholders of Citizens Holding Company in connection with the solicitation of proxies by our Board of Directors for the 2014 Annual Meeting of Shareholders to be held at 4:30 p.m., Central time, on Tuesday, April 22, 2014, at our main office, 521 Main Street, Philadelphia, Mississippi 39350, and any adjournments or postponements thereof. In this proxy statement, Citizens Holding Company is referred to as Citizens, we, our, us, or the Company, and The Citizens Bank of Philadelphia is referred to as the Bank.

**VOTING YOUR SHARES**

*Who is soliciting proxies from the shareholders?*

Our Board of Directors is soliciting the enclosed proxy. The proxy provides you with the opportunity to vote on the proposals presented at the Annual Meeting, whether you attend the Annual Meeting.

*What will be voted on at the Annual Meeting?*

The enclosed proxy provides the opportunity for you to vote on the following proposals:

1. the setting of the number of directors on our Board of Directors at ten;
2. the election of four Class III directors to serve until the expiration of their respective three-year terms, or until their successors are elected and qualified;
3. an advisory (non-binding) vote on our executive officer compensation; and
4. the ratification of the Board of Directors' appointment of HORNE LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014.

For the proposal to elect directors, you may vote for all of the nominees in each class for election as director, for one or more nominees in each class but not the others (to the extent more than one director is to be elected), or you may withhold your vote for all nominees in that class. For proposals 1, 3, and 4, you may vote for the approval of the proposal or against its approval, or you may abstain from voting on the proposal. The proxy card also gives the proxy holders



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discretionary authority to vote the shares represented by the proxy on any matter, other than the above proposals, that is properly presented for action at the Annual Meeting. Each proposal is a separate matter for the shareholders to vote on, and no one proposal's approval is subject to or conditioned upon the approval of any other proposal.

*Who bears the cost of the proxy solicitation?*

We generally bear all costs of soliciting proxies. We have retained and pay a fee to American Stock Transfer and Trust Company to act as our registrar and transfer agent and to assist in the solicitation of proxies, but we pay no separate compensation solely for the solicitation of proxies. We intend to solicit proxies primarily through the use of the mail. Our directors, officers and employees may solicit proxies by telephone, mail, facsimile, via the Internet or overnight delivery service. These individuals will not receive separate compensation for these services. We will also, in accordance with the regulations of the Securities and Exchange Commission (the "SEC"), reimburse brokerage firms and other persons representing beneficial owners of our common stock for their reasonable expenses in forwarding solicitation material to such beneficial owners.

*Who can vote at the Annual Meeting, and how are votes cast?*

Our Board of Directors fixed the close of business on Wednesday, March 13, 2014, as the record date for our Annual Meeting. Only shareholders of record on that date are entitled to receive notice of and to vote at the Annual Meeting. As of March 13, 2014, our only outstanding class of securities was common stock, \$0.20 par value per share. On that date, we had 22,500,000 shares authorized of which 4,877,614 shares were outstanding.

You can vote either in person at the Annual Meeting (if you, rather than your broker, are the record holder of the stock) or by proxy, whether you attend the Annual Meeting. To vote by proxy, you must fill out the enclosed proxy card, date and sign it, and either return it in the enclosed postage-paid envelope in time for us to receive it prior to the Annual Meeting or attend the Annual Meeting and submit the proxy at that time.

*How many votes must be present to hold the Annual Meeting?*

A quorum must be present to hold our Annual Meeting. A majority of the votes entitled to be cast at the Annual Meeting constitutes a quorum. Your shares, once represented for any purpose at the Annual Meeting, are deemed present for purposes of determining a quorum for the remainder of the meeting and for any adjournment unless a new record date is set for the adjourned meeting. This is true even if you abstain from voting with respect to any matter brought before the Annual Meeting.

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*How many votes does a shareholder have per share?*

Our shareholders are entitled to one vote for each share held, except that as to the proposal to elect Class III directors, shareholders may cumulate their votes. Cumulative voting is described below.

*What vote is required for approval of proposals at the Annual Meeting?*

For all proposals brought before the Annual Meeting, except the election of directors, each proposal is approved if the votes cast in favor of the proposal are greater than the votes cast opposing the proposal. The vote required to elect directors is described below.

*How are directors elected?*

At the Annual Meeting, you will consider a proposal to elect four Class III directors. Directors are elected by plurality vote; the candidates in each class who receive the highest number of votes cast, up to the number of directors in that class to be elected, are elected.

Generally, you may cumulate your votes to elect directors in a particular class. Cumulative voting entitles you to vote the number of shares you hold multiplied by the number of directors in each class. You can cast your votes for one nominee or distribute your total votes among all or several nominees in the class.

*For example:* There are four nominees for election as Class III directors. If you own ten shares, you have 40 votes for Class III directors. You can elect to allocate the 40 votes among the Class III directors by casting all votes for a single director or by dividing the votes between any number of the nominees in any proportion.

*How will my proxy be voted, and how are votes counted?*

When your proxy card is returned, properly signed and dated, the proxy holders will vote the shares represented by the proxy at the Annual Meeting as you instruct on the card, including any adjournments or postponements of the meeting. If your proxy card is signed, but no instructions are given, the proxy holders will vote the shares represented by the proxy at the Annual Meeting as follows:

1. **FOR** setting the number of directors to serve on our Board of Directors at ten;
2. **FOR** the election of nominees Craig Dungan, MD, Daniel Adam Mars, David P. Webb and Amzie T. Williams as Class III directors, each to serve a three-year term;
3. **FOR** the advisory (non-binding) vote on our executive officer compensation; and
4. **FOR** the approval of the appointment of HORNE LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014.

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To the extent that the proxy holders possess discretionary voting authority because your proxy card does not withhold authority to vote for the election of directors or for a particular nominee or provide specific instructions about the allocation of votes, the proxy holders are expected to cumulate votes in the manner most likely to elect all of the Board of Directors' nominees for Class III director. If you hold your shares in a broker's name (sometimes called "street name" or "nominee name"), you must provide voting instructions to your broker. If you do not provide instructions to your broker, the shares will not be voted on any matter on which your broker does not have discretionary authority to vote, which generally includes non-routine matters. A vote that is not cast for this reason is called a "broker non-vote." We will treat broker non-votes as shares present for the purpose of determining whether a quorum is present at the meeting, but we will not consider broker non-votes present for purposes of calculating the vote on a particular matter, nor will we count broker non-votes as a vote FOR or AGAINST a matter or as an abstention on the matter. Proposals 1, 2 and 3 are considered non-routine matters on which your broker will not be entitled to vote your shares without your voting instructions. Proposal 4 to be voted on at the Annual Meeting is considered a routine matter for broker voting purposes.

Under Mississippi law, an abstention by a shareholder, who is either present in person at the Annual Meeting or represented by proxy, is not a vote cast and is counted neither for nor against the matter subject to the abstention.

*Can a proxy be revoked?*

Yes. You can revoke your proxy at any time before it is voted. You may revoke your proxy by giving written notice to our secretary before the Annual Meeting or by granting a subsequent proxy. If you, rather than your broker, are a record holder of our stock, a proxy can also be revoked by appearing in person and voting at the Annual Meeting. Written notice of the revocation of a proxy should be delivered to the following address: Secretary, Citizens Holding Company, 521 Main Street, Philadelphia, Mississippi 39350.

## **STOCK OWNERSHIP**

*Does any person own more than 5% of our common stock?*

The following table sets forth as of March 13, 2014, each person or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the "Exchange Act") known to us to be the beneficial owner of more than 5% of the outstanding shares of our common stock. Beneficial ownership has been determined under Rule 13d-3 under the Exchange Act and is based upon the number of shares of our common stock issued and outstanding as of March 13, 2014, which was 4,877,614.

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Herbert A. King  101 Littlejohn Lane  Starkville, Mississippi 39759	273,656 <sup>(1)</sup>	5.6%
The Molpus Company and  Richard H. Molpus, Jr.  502 Valley View Drive  Philadelphia, Mississippi 39350	451,525 <sup>(2)</sup>	9.3%

<sup>(1)</sup> Includes 158,987 shares held in trust for his children as to which Mr. King exercises sole voting power but has no investment power, and 7,075 shares owned by K&D, L.P., a Mississippi limited partnership of which Mr. King and his spouse are the controlling general partners and as to which shares Mr. King and his spouse share voting and investment power.

<sup>(2)</sup> Based upon a Schedule 13G/A filed jointly by The Molpus Company and Richard H. Molpus, Jr. on February 5, 2014 with the SEC. Mr. Molpus owned all of the outstanding common stock of The Molpus Company on December 31, 2013. Thus, he is deemed to beneficially own all of our common stock that The Molpus Company owns. Mr. Molpus exercises voting and investment power with respect to the shares of our common stock that The Molpus Company owns. Additionally, Mr. Molpus owns 44,778 shares of our common stock personally, which is included in the above total. Sally Molpus, the wife of Richard H. Molpus, Jr, owns 10,000 shares of Citizens Holding Company common stock personally. Also included is 33,027 shares owned by a limited liability company in which Mr. Molpus holds a 99% membership interest and has sole investment and voting power and 115,795 shares that are owned by The Dick and Sally Molpus Foundation, a non-profit organization of which Mr. Molpus and his wife are directors and as to which Mr. Molpus has sole investment and voting power.

*How much stock do our directors, nominees and executive officers beneficially own?*

The following table includes information about the common stock owned by our directors, nominees and executive officers as of March 13, 2014, including their name, position and the number of shares beneficially owned. Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act and is based upon the number of shares of our common stock issued and outstanding as of March 13, 2014, which was 4,877,614 shares, and the number of shares exercisable within sixty days of March 13, 2014. Unless otherwise noted, these persons have sole voting power and investment power with respect to the listed shares (subject to any applicable community property laws). The address of each director and executive officer is the address of our executive offices.

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	Amount and Nature of Beneficial Ownership				Percent of Class
	Direct	Options Exercisable Within 60 Days	Other	Total	
<b>Directors and Nominees:</b>					
Craig Dungan, MD	40,665	7,500	172 <sup>(1)</sup>	48,337	1.0%
Don L. Fulton	22,899	13,500		36,399	*
Donald L. Kilgore	6,405	13,500		19,905	*
David A. King	136,695	13,500	2,650 <sup>(2)</sup>	152,845	3.0%
Herbert A. King	107,594	13,500	166,062 <sup>(3)</sup>	287,156	5.7%
Daniel Adam Mars	14,662	7,500		22,162	*
David P. Webb	18,923	13,500		32,423 <sup>(4)</sup>	*
Amzie T. Williams	10,298	12,000		22,298	*
Terrell E. Winstead	16,550	9,000		25,550	*
<b>Named Executive Officers:</b>					
Greg L. McKee <sup>(5)</sup>	33,889	24,000	1,225 <sup>(5)</sup>	59,114	1.2%
Robert T. Smith					