

FIRST NORTHERN COMMUNITY BANCORP  
Form DEF 14A  
April 11, 2008

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 Sec.240.14a-12

FIRST NORTHERN COMMUNITY BANCORP  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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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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April 11, 2008

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of First Northern Community Bancorp (the “Company”) on Tuesday, May 13, 2008, at 5:30 p.m. The meeting will be held at First Northern Bank’s Operations Center located at 210 Stratford Avenue in Dixon, California. A reception will follow the meeting.

At the meeting, shareholders will be asked to elect as directors the ten individuals nominated by the Board of Directors, to ratify the appointment by the Audit Committee of the Board of Directors of Moss Adams LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2008, and to approve such other matters as may properly come before the Annual Meeting or any adjournment thereof. The following Proxy Statement provides detailed information about the nominees for director, the independent registered public accounting firm and other matters regarding the Annual Meeting. Included with this Proxy Statement is the Company’s Annual Report on Form 10-K for the year ended December 31, 2007.

The Board of Directors recommends that you vote “FOR” the election of the directors nominated, and “FOR” ratification of the appointment by the Audit Committee of the Board of Directors of Moss Adams LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2008.

It is very important that as many shares as possible be represented at the meeting. Whether or not you plan to attend the Annual Meeting, we respectfully ask that you sign and return the enclosed proxy in the postage–paid envelope as soon as possible. So that we may provide adequate seating and refreshments, please be sure to indicate whether or not you plan to attend by completing the bottom portion of the proxy form.

We look forward to seeing you at the meeting on May 13th.

Sincerely,

Owen J. Onsum  
President and Chief Executive Officer

Enclosures

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
May 13, 2008

To the Shareholders of First Northern Community Bancorp:

The Annual Meeting of Shareholders of First Northern Community Bancorp will be held at the First Northern Bank Operations Center, 210 Stratford Avenue, Dixon, California 95620, on Tuesday, May 13, 2008, at 5:30 p.m. to:

1. Elect the following ten (10) directors to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified:

Lori J. Aldrete	John F. Hamel	David W. Schulze
Frank J. Andrews, Jr.	Diane P. Hamlyn	Andrew S. Wallace
John M. Carbahal	Foy S. McNaughton	
Gregory DuPratt	Owen J. Onsum	

2. Ratify the appointment by the Audit Committee of the Board of Directors of Moss Adams LLP to act as the independent registered public accounting firm of First Northern Community Bancorp for the year ending December 31, 2008.

3. Act upon such other matters as may properly come before such meeting or any adjournment or postponement thereof.

All of the above matters are more fully described in the accompanying Proxy Statement.

Shareholders of record at the close of business on March 31, 2008, are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof.

You are strongly encouraged to attend the Annual Meeting and also to complete, sign, date and return as promptly as possible, the proxy submitted herewith in the return envelope provided for your use whether or not you plan to attend the meeting in person. The giving of such proxy will not affect your right to revoke such proxy or to vote in person, should you later decide to attend the Annual Meeting.

BY ORDER OF THE  
BOARD OF DIRECTORS

Frank J. Andrews, Jr.  
Chairman of the Board  
Dated: April 11, 2008

Owen J. Onsum  
President and Chief Executive Officer

YOUR VOTE IS IMPORTANT  
YOU ARE URGED TO COMPLETE, SIGN, DATE AND PROMPTLY RETURN YOUR  
PROXY SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR

WISHES.

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FIRST NORTHERN COMMUNITY BANCORP  
195 North First Street, Dixon, California 95620

PROXY STATEMENT

Annual Meeting Of Shareholders

This Proxy Statement is furnished to the shareholders of First Northern Community Bancorp (“the “Company”) in connection with the solicitation of proxies to be used in voting at the Annual Meeting of Shareholders of the Company to be held on May 13, 2008, at First Northern Bank’s Operations Center located at 210 Stratford Avenue, Dixon, California at 5:30 p.m., and at any adjournment or postponement thereof. The solicitation of the proxy accompanying this Proxy Statement is made by the Board of Directors of the Company, and the costs of such solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the material used in this solicitation of proxies, will be borne by the Company. It is contemplated that proxies will be solicited through the mail, but officers and staff of the Company may solicit proxies personally. The Company may, at its discretion, engage the services of a proxy solicitation firm to assist in the solicitation of proxies. The total expense of this solicitation will be borne by the Company and will include reimbursement paid to brokerage firms and others for their expenses in forwarding soliciting material and such expenses as may be paid to any proxy solicitation firm engaged by the Company.

It is expected that this Proxy Statement and accompanying Notice will be mailed to shareholders on or about April 11, 2008.

A proxy for the Annual Meeting is enclosed. Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted by filing with the Corporate Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date. In addition, a proxy will be revoked if the person executing the proxy is present at the Annual Meeting and advises the Chairman of his or her election to vote in person.

The proxy also confers discretionary authority to vote the shares represented thereby on any matter that was not known at the time this Proxy Statement was mailed which may properly be presented for action at the Annual Meeting, including approval of minutes of the prior Annual Meeting which will not constitute ratification of the actions taken at such meeting; action with respect to procedural matters pertaining to the conduct of the Annual Meeting; and election of any person to any office for which a bona fide nominee is named herein, if such nominee is unable or unwilling to serve.

Voting Rights and Vote Required

Only shareholders of record at the close of business on the record date of March 31, 2008 will be entitled to vote in person at the Annual Meeting or by proxy. On the record date, there were 8,602,614 shares of common stock of the Company issued and outstanding and entitled to vote.

Shareholders of common stock of the Company are entitled to one vote for each share held, except that in the election of Directors, under California law and the bylaws of the Company, each shareholder may be eligible to exercise cumulative voting rights and may be entitled to as many votes as shall equal the number of shares of common stock of the Company held by such shareholder multiplied by the number of directors to be elected, and such shareholder may cast all of such votes for a single nominee or may distribute them among two or more nominees. No shareholder, however, shall be entitled to cumulate votes (in other words, cast for any candidate a number of votes greater than the number of shares of common stock held by such shareholder multiplied by the number of directors to be elected) unless the name(s) of the candidate(s) has (have) been placed in nomination prior to voting in accordance with

Article III, Section 23 of the Company's bylaws (which requires that nominations made other than by the Board of Directors be made at least 30 and not more than 60 days prior to any meeting of shareholders) and a shareholder has given notice to the Company of an intention to cumulate votes prior to the voting in accordance with Article II, Section 13 of the Company's bylaws. If any shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination, in which event votes represented by proxies delivered pursuant to this Proxy Statement may be cumulated, in the discretion of the proxyholders, in accordance with the recommendation of the Board of Directors. Discretionary authority to cumulate votes in such event is, therefore, solicited in this Proxy Statement.



The vote required to approve each proposal is as follows:

In the election of directors, the ten nominees receiving the highest number of votes will be elected.

Ratification of the appointment by the Audit Committee of the Board of Directors of the independent registered public accounting firm will require the affirmative vote of a majority of the shares represented and voting at the Meeting.

#### Voting of Proxies—Quorum

The shares of common stock of the Company represented by all properly executed proxies received in time for the Meeting will be voted in accordance with the shareholders' choices specified therein; provided, however, that where no choices have been specified, the shares will be voted "FOR" the election of the ten nominees for director recommended by the Board of Directors, "FOR" the ratification of the appointment by the Audit Committee of the Board of Directors of Moss Adams LLP as the independent registered public accounting firm for the year ending December 31, 2008 and at the proxyholder's discretion, on such other matters, if any, which may properly come before the Meeting (including any proposal to adjourn the Meeting). A majority of the shares entitled to vote, represented either in person or by a properly executed proxy, will constitute a quorum at the Meeting.

Brokers that have sent proxy soliciting materials to a beneficial owner but have not received voting instructions from the beneficial owner may nevertheless vote on routine matters, including the election of directors and the ratification of the appointment by the Audit Committee of the Board of Directors of Moss Adams LLP as the independent registered public accounting firm. Abstentions and broker "non-votes" are each included in the determination of the number of shares present and voting for purposes of determining the presence of a quorum. A broker "non-vote" occurs when a nominee holding shares for a beneficial owner does not have discretionary voting power with respect to that item or such item is not routine and the nominee has not received instructions from the beneficial owner.

#### Revocability of Proxy

A shareholder using the enclosed proxy may revoke the authority conferred by the proxy at any time before it is exercised by delivering written notice of revocation to the Secretary of the Company or a duly executed proxy bearing a later date, or by appearing and voting by ballot in person at the Meeting.

Proposal 1  
Nomination and Election of Directors

At the Annual Meeting it will be proposed to elect ten directors of the Company, each to hold office until the next annual meeting and until their successors shall be elected and qualified. It is the intention of the proxyholders named in the enclosed proxy to vote such proxies (except those containing contrary instructions) for the ten nominees named below.

The Board of Directors does not anticipate that any of the nominees will be unable to serve as a director of the Company, but if that should occur before the Meeting, the proxyholders, in their discretion, upon the recommendation of the Company's Board of Directors, reserve the right to substitute as nominee and vote for another person of their choice in the place and stead of any nominee unable so to serve. The proxyholders reserve the right to cumulate votes for the election of directors and cast all of such votes for any one or more of the nominees, to the exclusion of the others, and in such order of preference as the proxyholders may determine in their discretion, based upon the recommendation of the Board of Directors.

Nominees

The following table sets forth each of the nominees for election as a director, their age, their position with the Company, and the period during which they have served as a director of the Company and the Bank.

Name	Age	Position with the Company	Director of Bank Since	Director of the Company Since
Lori J. Aldrete	61	Director	1995	2000
Frank J. Andrews, Jr.	59	Chairman of the Board	1993	2000
John M. Carbahal	53	Director	1996	2000
Gregory DuPratt	54	Director	1996	2000
John F. Hamel	67	Director	1975	2000
Diane P. Hamlyn	64	Director	1985	2000
Foy S. McNaughton	57	Director	2000	2000
Owen J. Onsum	63	President, CEO and Director	1996	2000
David W. Schulze	63	Director	1978	2000
Andrew S. Wallace	44	Director	2007	2007

Lori J. Aldrete is a principal of ACS Quantum Strategies, LLC ("ACS"), a public affairs, marketing and communications firm established in July 2001. ACS is headquartered in Sacramento, California. Ms. Aldrete has worked in the communications field for more than 30 years and in marketing and public relations since 1986. She has been a resident of Davis since 1979. Ms. Aldrete is the Chairman of the Bank's Compensation Committee, and a member of the Bank's Loan and Management Committees.

Frank J. Andrews, Jr. is President of Andrews, Lando & Associates, a real estate development firm established in 1990, and Manager of Gainsborough-Classics LLC since January 1999 also a real estate development firm. Prior to that time, Mr. Andrews was President of Andrews Management Services for three years and Vice President of Amos & Andrews, Inc., for fifteen years. Andrews Management Services and Amos & Andrews, Inc. are also real estate development companies. Mr. Andrews is Chairman of the Board of the Company, a member of the Bank's Asset Management and Trust, and Loan Committees, and the Chairman of the Bank's Management Committee.



John M. Carbahal is a Certified Public Accountant and since 1984 has been a principal and shareholder of Carbahal & Company, Inc., an Accountancy Corporation. Mr. Carbahal is the Chairman of the Bank's Audit Committee, and a member of the Bank's Asset Management and Trust, and Management Committees.

Gregory DuPratt has been Vice President of Ron DuPratt Ford, an automobile dealership and family business located in Dixon since 1997. Mr. DuPratt is a member of the Bank's Audit, Compensation, Loan, and Profit Sharing Committees.

John F. Hamel served as the President and Chief Executive Officer of First Northern Bank of Dixon from 1975 to 1996. Mr. Hamel is presently managing family agricultural properties. Mr. Hamel is the Chairman of the Bank's Loan Committee, and a member of the Bank's Asset Management and Trust, Director Selection, and Profit Sharing Committees.

Diane P. Hamlyn is the Founder of Davisville Travel, a full service travel agency. Davisville Travel was established in 1977. Ms. Hamlyn is a member of the Bank's Audit, Management, Compensation, Director Selection, and Information Services Committees.

Foy S. McNaughton is the President and Chief Executive Officer of McNaughton Newspapers—Davis Enterprise, Daily Republic, Mountain Democrat (Placerville), Winters Express, Georgetown Gazette and Life Newspapers (El Dorado Hills, Folsom, and Cameron Park), a position he has held since 1985. He has served as the Publisher of the Fairfield Daily Republic since 1995. Mr. McNaughton has been a resident of Davis since 1973. Mr. McNaughton is a member of the Bank's Audit, Compensation, Director Selection, and Management Committees.

Owen J. Onsum has been President and Chief Executive Officer of First Northern Bank of Dixon since January 1, 1997. He served as Executive Vice President of First Northern Bank of Dixon from 1982 to 1996. Mr. Onsum has worked for First Northern Bank of Dixon since 1972 and has lived in Dixon since 1971. Mr. Onsum is a member of the Bank's Loan, Management, Asset Management and Trust, Director Selection, and Profit Sharing Committees.

David W. Schulze has been the owner/operator of a family farming operation since 1967. Prior to assuming that position, Mr. Schulze was involved in property management and apartment ownership. Mr. Schulze is the Chairman of the Bank's Asset Management and Trust Committee, and is a member of the Bank's Loan, Director Selection, and Management Committees.

Andrew S. Wallace is the Chief Financial and Chief Operating Officer of Wallace-Kuhl & Associates, Inc., an Engineering and Environmental Consulting Firm established in 1984. Prior to assuming that position, Mr. Wallace acted as Controller of Wallace-Kuhl & Associates, Inc. from 1995 to 2000. Mr. Wallace is a member of the Bank's Audit, Loan, and Information Services Committees.

Committees of the Board of Directors of the Company and the Bank

The Company does not have Audit, Nominating or Compensation Committees or committees performing similar functions. However, the Board of Directors of the Bank has several standing committees, as discussed below, including an Audit Committee, Compensation Committee, and Management Committee which perform the functions of such committees for the Company. The directors of the Company are also directors of the Bank. As such, the Bank committees supervise and review the activities of the Bank, which constitute substantially all of the assets of the Company on a consolidated basis. Information regarding the committees of the Bank, and the members thereof, follows.

The Bank has a standing Audit Committee composed of John M. Carbahal, Gregory DuPratt, Diane P. Hamlyn, Foy S. McNaughton, and Andrew S. Wallace. John M. Carbahal is the Audit Committee Chairman. The Audit Committee reviews and oversees the internal audit results for the Bank. The Audit Committee of the Bank held eight meetings during 2007. The Board of Directors has determined that Mr. Carbahal is an audit committee financial expert under the rules of the SEC.

The Bank has a standing Management Committee composed of Lori J. Aldrete, Frank J. Andrews, Jr., John M. Carbahal, Diane P. Hamlyn, Foy S. McNaughton, Owen J. Onsum, and David W. Schulze. Frank J. Andrews, Jr. is the Management Committee Chairman. The Management Committee held two meetings during 2007 for the purpose of considering the Bank's strategic and personnel issues and reviewing the annual budget.

The Bank has a standing Loan Committee composed of Lori J. Aldrete, Frank J. Andrews, Jr., Gregory DuPratt, John F. Hamel, Owen J. Onsum, David W. Schulze and Andrew S. Wallace. John F. Hamel is the Loan Committee Chairman. The Loan Committee held 20 meetings during 2007 for the purpose of approving loans and loan policy.

The Bank has a standing Profit Sharing Committee composed of Gregory DuPratt, John F. Hamel, and Owen J. Onsum. The Profit Sharing Committee held two meetings during 2007 for the purpose of considering plan administration and investments.

The Bank has a standing Compensation Committee composed of Lori J. Aldrete, Gregory DuPratt, Diane P. Hamlyn, and Foy S. McNaughton. Lori J. Aldrete is the Compensation Committee Chairman. The Compensation Committee held twelve meetings during 2007 for the purpose of reviewing and recommending to the Bank's Board of Directors the Bank's compensation objectives and policies and administering the Company's stock plans. The Compensation Committee has adopted a written charter which is posted on the Bank's website at [www.thatsmybank.com](http://www.thatsmybank.com). A description of the processes and procedures of the Compensation Committee is included below in the Compensation Discussion and Analysis.

The Bank has a standing Asset Management and Trust Committee composed of Frank J. Andrews, Jr., John M. Carbahal, John F. Hamel, Owen J. Onsum, and David W. Schulze. David W. Schulze is the Asset Management and Trust Committee Chairman. The Asset Management and Trust Committee held four meetings during 2007 for the purpose of reviewing the general status of the Bank's Asset Management and Trust Department.

The Bank has a standing Information Services Steering Committee that includes Directors Diane P. Hamlyn and Andrew S. Wallace. The Information Services Steering Committee held one meeting during 2007 with Director participation. The purpose of the Committee is to review the use and security of technology and technology-related services throughout the Bank.

The Bank has a standing Director Selection Committee composed of John F. Hamel, Diane P. Hamlyn, Foy S. McNaughton, Owen J. Onsum, and David W. Schulze. The Director Selection Committee held no meetings during

2007. The purpose of the committee is to review and nominate potential candidates for directors of the Bank and the Company as needed. This committee fulfills the responsibilities of a director nominating committee for the Company. The Director Selection Committee does not have a charter.

The Director Selection Committee will consider candidates nominated by the Company's shareholders, directors, officers, and from other sources. In evaluating candidates, the Board of Directors considers the attributes of the candidate (including skills, experience, diversity, age, and legal and regulatory requirements), and the needs of the Board of Directors, and will review all candidates in the same manner, regardless of the source of the recommendation.

The Board of Directors will consider candidates nominated by the shareholders of the Company if the nomination is made in writing in accordance with the procedures for nominating directors of the Company, as described below. These nomination procedures are designed to give the Board of Directors advance notice of competing nominations, if any, and the qualifications of nominees, and may have the effect of precluding third-party nominations if the nomination procedures are not followed.

Pursuant to Article III, Section 23 of the bylaws of the Company, director nominations, other than those made by the Board of Directors, shall be made by notification in writing delivered or mailed to the President of the Company, not less than 30 days or more than 60 days prior to any meeting of shareholders called for election of directors. The provision also requires that the notice contain detailed information necessary to determine if the nominee is qualified under our bylaws. Under our bylaws, no person may be a member of the Board of Directors: