

WILLIAM PENN BANCORP INC  
Form DEF 14A  
October 16, 2008  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D. C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant ☒ X

Filed by a Party other than the Registrant ☐ O

Check the appropriate box:

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

**WILLIAM PENN BANCORP, INC.**

(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):

- ☒ X No fee required
- ☐ O 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:

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(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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☐ 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:

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## William Penn Bancorp, Inc.

8150 Route 13

Levittown, Pennsylvania 19057

(215) 945-1200

October 16, 2008

Dear Fellow Stockholder:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of William Penn Bancorp, Inc., the holding company for William Penn Bank, FSB. The Annual Meeting will be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Thursday, November 6, 2008 at 10:00 a.m., Eastern Time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the meeting. During the meeting, we will also report on the operations of the Company. Directors and officers of the Company will be present to respond to any questions stockholders may have.

**WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING.** Your vote is important, regardless of the number of shares you own. Voting by proxy will not prevent you from voting in person but will assure that your vote is counted if you are unable to attend the meeting. On behalf of your Board of Directors, we thank you for your interest and support.

Sincerely,

/s/ Charles Corcoran

Charles Corcoran

*President and Chief Executive Officer*



## William Penn Bancorp, Inc.

8150 Route 13

Levittown, Pennsylvania 19057

(215) 945-1200

### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 6, 2008

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of William Penn Bancorp, Inc. will be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Thursday, November 6, 2008 at 10:00 a.m., Eastern Time, for the following purposes:

1. To elect two directors;
2. To ratify the appointment of S.R. Snodgrass, A.C. as the Company's independent auditors for the fiscal year ending June 30, 2009; and
3. To consider any other matters that may properly come before the Annual Meeting.

Any action may be taken on any one of the above proposals at the Annual Meeting on the date specified above or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned. Only stockholders of record at the close of business on September 26, 2008 are entitled to vote at the Annual Meeting and any adjournments thereof.

You are requested to complete and sign the accompanying proxy card which is solicited by the Board of Directors and to mail it promptly in the accompanying envelope. The proxy card will not be used if you attend the Annual Meeting and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Terry L. Sager

Terry L. Sager

*Corporate Secretary*

Levittown, Pennsylvania

October 16, 2008

**IMPORTANT: IT IS IMPORTANT THAT YOUR SHARES ARE REPRESENTED AT THE ANNUAL MEETING REGARDLESS OF THE NUMBER OF SHARES YOU OWN. THE ENCLOSED PROXY CARD IS ACCOMPANIED BY A SELF-ADDRESSED ENVELOPE FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.**

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**PROXY STATEMENT**

of

**WILLIAM PENN BANCORP, INC.**

**8150 Route 13**

**Levittown, Pennsylvania 19057**

**(215) 945-1200**

**ANNUAL MEETING OF STOCKHOLDERS**

**November 6, 2008**

**GENERAL**

This proxy statement is being furnished to stockholders of William Penn Bancorp, Inc. by the Company's Board of Directors in connection with its solicitation of proxies for use at the 2008 Annual Meeting of Stockholders to be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Thursday, November 6, 2008 at 10:00 a.m., Eastern Time. This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about October 16, 2008.

**VOTING AND PROXY PROCEDURES**

**Who Can Vote at the Annual Meeting**

You are only entitled to vote at the Annual 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 26, 2008 (the "Record Date"). If your shares are held by a broker or other intermediary, you can only vote your shares in person at the Annual 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 3,641,018 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 Annual Meeting by the persons named in the enclosed Proxy Card. All shares of Common Stock represented at the Annual 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 S.R. Snodgrass, A.C. as the Company's independent auditors for the fiscal year ending June30, 2009.**

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

presented at the Annual Meeting.



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You may revoke your proxy at any time before the vote is taken at the Annual Meeting. To revoke your proxy you must either advise the Company's Secretary in writing before your Common Stock has been voted at the Annual Meeting, deliver a later-dated proxy, or attend the Annual Meeting and vote your shares in person. Attendance at the Annual 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.

### **Participants in the William Penn Bank, FSB Employee Stock Ownership Plan and 401(k) Retirement Savings Plan**

If you are a participant in the William Penn Bank, FSB Employee Stock Ownership Plan (the "ESOP") or hold Common Stock through the William Penn Bank, FSB 401(k) Retirement Savings Plan (the "401(k) Plan"), you will receive a voting instruction form from 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 to the trustees of the ESOP and 401(k) Plan is October 26, 2008.

### **Vote Required**

The Annual Meeting can only transact business if a majority of the outstanding shares of Common Stock entitled to vote is represented at the Annual Meeting. If you return a valid proxy or attend the Annual Meeting in person, your shares will be counted for purposes of determining whether there is a quorum even if you abstain or withhold your vote or do not vote your shares at the Annual Meeting. Broker non-votes will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not have discretionary voting power with respect to the agenda item and has not received voting instructions from the beneficial owner.

In voting on the election of directors, you may vote in favor of all nominees, withhold votes as to all nominees, or vote in favor of all nominees except nominees you specify as to which you withhold your vote. There is no cumulative voting in the election of directors. Directors must be elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of S.R. Snodgrass, A.C. as independent auditors for the 2009 fiscal year, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this proposal requires the affirmative vote of a majority of the votes cast at the Annual

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Meeting. Broker non-votes and abstentions will not be counted as votes cast on the proposal and therefore will have no effect on the outcome of the voting on this proposal.

### 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 <sup>(1)</sup>	Percent of Shares of Common Stock Outstanding <sup>(2)</sup>
William Penn, MHC		
8150 Route 13		
Levittown, Pennsylvania 19057	2,548,713	70.0%
Tyndall Capital Partners, L.P.		
599 Lexington Avenue, Suite 4100		
New York, New York 10022	182,288 <sup>(3)</sup>	5.0%
Joseph Stilwell		
Stilwell Value LLC		
Stilwell Value Partners VI, L.P.		
26 Broadway, 23 <sup>rd</sup> Floor		
New York, New York 10004	225,000 <sup>(4)</sup>	6.2%
All directors and executive officers as a group (8 persons)	92,400 <sup>(5)</sup>	2.5%

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<sup>(1)</sup> 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

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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) According to the Schedule 13G filed by Tyndall Capital Partners, L.P., 103,955 shares are owned by Tyndall Partners, L.P., a Delaware limited partnership ("Tyndall"), 53,333 shares are owned by Tyndall Institutional Partners, L.P., a Delaware limited partnership ("Tyndall Institutional"), and 25,000 shares are owned by Jeffrey Halis. Tyndall Capital Partners, L.P. is the general partner of Tyndall and Tyndall Institutional. Mr. Halis is the manager of Jeffrey Management, LLC, the general partner of Tyndall Capital Partners, L.P., and he possesses the sole power to vote and the sole power to direct the disposition of all shares held by Tyndall and Tyndall Institutional.

*(footnotes continued on following page)*

- (4) According to the most recent amendment to the Schedule 13D filed by the reporting persons on September 10, 2008, the reporting persons each have shared voting and dispositive power over 225,000 shares. Joseph Stilwell is the managing and sole member of Stilwell Value LLC which is the general partner of Stilwell Value Partners VI, L.P.
- (5) Includes 36,500 shares held in executive officers' accounts in the 401(k) Plan and 20,765 shares held by spouses or in IRAs or profit-sharing plans of directors and executive officers. Excludes 87,384 unallocated shares held by the ESOP. Directors Feeney, Davis, Burton and Parry serve as the ESOP trustee and vote such shares as directed by the ESOP Committee, subject to such trustees' fiduciary duties.

## PROPOSAL I – ELECTION OF DIRECTORS

The Company's Board of Directors is composed of five members. Under the Company's Bylaws, directors are divided into three classes, as nearly equal in number as possible. Each class serves for a three-year term, with one class of directors elected at each annual meeting. The Board of Directors has nominated directors Craig Burton and Glenn Davis (the "Nominees") to serve as directors for additional three-year terms.

Each of the Nominees has consented to be named in this proxy statement and to serve, if elected. If any Nominee 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. At this time, the Board knows of no reason why any Nominee might be unavailable to serve.

Under our Bylaws, directors are elected by a plurality of the votes cast at an Annual Meeting at which a quorum is present. Votes that are not cast at the Annual Meeting, either because of abstentions or broker non-votes, are not considered in determining the number of votes which have been cast for or withheld from a nominee. Unless otherwise specified on the proxy, it is intended that the persons named in the proxies solicited by the Board will vote for the election of the named Nominees.

The following table sets forth the names of the Board's nominees for election as directors of the Company, of those directors who will continue to serve as such after the Annual Meeting and for each executive officer who is not a director. Also set forth is certain other information with respect to each person's age, their positions with the Company, the year he or she first became a director of the Company's wholly owned subsidiary, William Penn Bank, FSB (the "Bank" or "William Penn"), the expiration of his or her term as a director, and the number and percentage of shares of the Common Stock beneficially owned. All current directors were initially appointed as directors of the Company in 2008 in connection with the Company's incorporation and also serve as directors of William Penn, MHC.

Name and Positions with Company	Age <sup>(1)</sup>	Year First Elected as Director of the Bank	Current Term to Expire	Shares of Common Stock Beneficially Owned <sup>(1)</sup>	Percent of Class
<b>BOARD NOMINEES FOR TERMS TO EXPIRE IN 2011</b>					
Craig Burton <i>Director</i>	60	1993	2008	4,800	(2) *
Glenn Davis <i>Director</i>	56	1986	2008	5,000	*
<b>DIRECTORS CONTINUING IN OFFICE</b>					
Charles Corcoran <i>President, Chief Executive and Chief Financial Officer</i>	56	1989	2009	25,000	(3) *
William B.K. Parry, Jr. <i>Director</i>	60	1986	2009	22,500	(4) *
William J. Feeney <i>Chairman of the Board, Director</i>	64	1985	2010	20,000	*
<b>EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS</b>					
James D. Douglas <i>Vice President, Chief Lending Officer</i>	56	NA	NA	10,000	(3) *
Terry L. Sager <i>Corporate Secretary</i>	47	NA	NA	5,000	(5) *
Aswini U. Hiremath <i>Chief Accounting Officer</i>	32	NA	NA	100	*

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\* Less than 1.0% of shares outstanding.

(1) As of the Record Date. Excludes 87,384 unallocated shares held by the ESOP for which Directors Feeney, Davis, Burton and Parry serve as plan trustees.

(2) Includes 800 shares held by spouse.

(3) Through 401(k) Plan.

(4) Includes 14,000 shares held by profit-sharing plan, 2,535 shares held by spouse and 3,430 shares held in IRA.

(5) Includes 1,500 shares held through 401(k) Plan.

The principal occupation of each director and executive officer of the Company for the last five years is set forth below.

**Craig Burton** is a Partner in Burton & Browse LLP, Certified Public Accountants, located in Newtown, Pennsylvania. He is a certified public accountant.

**Glenn Davis** is the retired president of Davis Pontiac, Inc. (auto dealership) in Richboro, Pennsylvania.

**Charles Corcoran** is our President and Chief Executive Officer. He joined the Bank in 1979, was elected to the Board of Directors in 1989 and became president in 1993. Mr. Corcoran also serves as our principal financial officer and as a director of the William Penn Bank Community Foundation.

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**William B.K. Parry, Jr.** is President of William B. Parry & Son, Ltd. (insurance agency) Langhorne, Pennsylvania.

**William J. Feeney** is a retired Police Chief, Richboro, Pennsylvania. Mr. Feeney is the owner of Occasions of Naples, Inc. (flowers and gifts) located in Naples, Florida.

### Executive Officers Who Are Not Directors

**James D. Douglas** is our Vice President and serves as the chief lending officer. He also serves as a director of the William Penn Bank Community Foundation. Mr. Douglas joined the Bank in 1978.

**Terry L. Sager** is our Corporate Secretary and Treasurer. She is a certified public accountant and served as our principal accounting officer until July 2008. She is also responsible for human resources and employee benefits. She also serves as a director of the William Penn Bank Community Foundation. Ms. Sager joined the Bank in 1987.

**Aswini U. Hiremath** was appointed chief accounting officer in July 2008. Prior to joining the Company's accounting staff in January, 2008, Ms. Hiremath had been a staff accountant at Sterling Bank, Mount Laurel, New Jersey, since 2006. Prior to Sterling, she had been employed at William Penn Bank, FSB.

## CORPORATE GOVERNANCE

### Director Independence

The Board of Directors has determined that Directors Feeney, Parry, Davis and Burton would be considered independent under the independence standards of The Nasdaq Stock Market if the Common Stock were listed thereon. In determining which directors are independent, the Board of Directors considered the deposit and other relationships which directors have with the Bank as well as the relationships described under "Related Party Transactions" but determined that these relationships did not affect their independence. Any loans and deposits made by or accepted by the Bank were on substantially the same terms that would be granted to other customers with similar credit or deposit balances. The Board of Directors also considered the commissions paid to William B. Parry and Son, Ltd. of which Director Parry is president and determined that such commissions were not sufficient to impair Mr. Parry's independence under the rules of The Nasdaq Stock Market. The Board, however, determined that such commissions would cause him not to be considered independent for purposes of the independence standards applicable to members of the audit committee of a listed company under the Sarbanes-Oxley Act of 2002. There are no members of the Audit Committee other than Mr. Parry who would not meet the independence standards of The Nasdaq Stock Market for Audit Committee members and no members of the Audit Committee who could only serve under exceptions to these standards.

### Director Attendance