

FIRST DEFIANCE FINANCIAL CORP  
Form 10-Q/A  
March 03, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q /A**

(Amendment No. 1)

(Mark One)

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**  
For the Quarterly Period Ended March 31, 2010

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-26850

**First Defiance Financial Corp.**

(Exact name of registrant as specified in its charter)

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**Ohio**  
(State or other jurisdiction of

**34-1803915**  
(I.R.S. Employer

incorporation or organization)

Identification Number)

**601 Clinton Street, Defiance, Ohio**  
(Address or principal executive office)

**43512**  
(Zip Code)

**Registrant's telephone number, including area code: (419) 782-5015**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date. Common Stock, \$.01 Par Value 8,117,770 shares outstanding at April 30, 2010.

**EXPLANATORY NOTE**

First Defiance Financial Corp. (the Company) hereby amends Part I, Item 4 of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, as originally filed with the Securities and Exchange Commission on May 5, 2010 (the Form 10-Q). The Company is filing this Amendment No. 1 on Form 10-Q/A (this Amendment) to identify material changes that were made to the Company's internal control over financial reporting to correct the material weakness that was identified in management's assessment of the controls as of December 31, 2009.

As stated in the Company's Form 10-K/A for the year ended December 31, 2009, when First Defiance's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009, they identified a deficiency in controls. At first, management and the Company's independent registered public accounting firm, Crowe Horwath LLP, believed that this deficiency constituted a significant deficiency. However, upon further review, management and Crowe Horwath determined that this deficiency constituted a material weakness in the Company's internal control over financial reporting. As a result, the Company is filing this Amendment to identify the changes that were made in the first quarter of 2010 to correct such weakness.

In accordance with the rules of the Securities and Exchange Commission, the Company has set forth the text of Part I, Item 4. As required by Rule 12b-15 promulgated under the Exchange Act of 1934, updated certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been included as Exhibits 31.1 and 31.2, and updated certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 have been included as Exhibits 32.1 and 32.2 to this Amendment. Other than the change to Item 4, the Form 10-Q is unchanged. This Amendment is limited in scope to the portions of the Form 10-Q set forth above and does not amend, update, or change any other items or disclosures contained in the Form 10-Q.

This Amendment continues to speak as of the date of the original filing of the Form 10-Q and we have not updated the disclosures contained therein to reflect any events that occurred at any subsequent date. The filing of this Amendment shall not be deemed an admission that the Form 10-Q, when filed, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement therein not misleading.

PART I-FINANCIAL INFORMATION

Item 4. Controls and Procedures

Disclosure controls are procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed to ensure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2010. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

During the quarter ended March 31, 2010, management implemented several changes to the Company's internal control over financial reporting that materially affected the internal control over financial reporting and were designed to correct the material weakness identified in management's assessment of the internal control over financial reporting as of December 31, 2009. In the first quarter, management modified the process for internal grading of loans, enhanced the processes for communication to lending personnel, and added a secondary review process that was focused on accurately grading loans.

PART II-OTHER INFORMATION

Item 6. Exhibits

- Exhibit 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
- Exhibit 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
- Exhibit 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act
- Exhibit 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act

FIRST DEFIANCE FINANCIAL CORP.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed by the undersigned thereunto duly authorized.

First Defiance Financial Corp.  
(Registrant)

Date: March 3, 2011

By: /s/ Donald P. Hileman  
Donald P. Hileman  
Executive Vice President and Chief Financial Officer (Principal  
Financial Officer)