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FIRST DEFIANCE FINANCIAL CORP
Form DEFA14A
March 28, 2005

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant [X]
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 ss. 240.14a-11(c) or ss. 240.14a-12

FIRST DEFIANCE 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)(4) and O-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 O-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.
- Check box if any part of the fee is offset as provided by Exchange Act Rule O-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.:

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3) Filing Party:

4) Date Filed:

Board of Directors
First Defiance Financial Corp.

Gentlemen:

As you are aware, the First Defiance Board of Directors has recommended that the shareholders approve the First Defiance Financial Corp. 2005 Stock Option and Incentive Plan at the 2005 Annual Meeting. We have received informal feedback regarding a concern that Section 12 of the Plan may permit the repricing of stock options. Generally, Section 12 provides that the Board may authorize the modification of outstanding stock options in a manner that the Board believes to be in the best interests of First Defiance.

First Defiance has never repriced its outstanding stock options and does not intend to do so with any options awarded under this Plan. Therefore, to eliminate any concern that the Board may reprice options, management recommends to the First Defiance Board that, if the Plan is adopted by shareholders, the Board amend the Plan to add the following at the end of Section 12:

Notwithstanding the foregoing, neither the Board nor the Committee shall have the authority to modify Stock Options in a manner that will have the effect of repricing the Stock Options to a lower exercise price, except in connection with a change in capitalization pursuant to Section 10.

We will schedule consideration of this amendment at the meeting of the Board to be held on May 16, 2005.

Sincerely,

/s/ William J. Small

William J. Small
Chairman, President and CEO