

OLD SECOND BANCORP INC

Form S-4

December 19, 2007

As filed with the Securities and Exchange Commission on December 19, 2007

Registration No. 333-

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM S-4**

**REGISTRATION STATEMENT**

**UNDER THE SECURITIES ACT OF 1933**

**OLD SECOND BANCORP, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)

**36-3143493**  
(I.R.S. Employer  
Identification Number)

**37 South River Street**

**Aurora, Illinois 60506**

**(630) 892-0202**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**William B. Skoglund**  
**President and Chief Executive Officer**

**Old Second Bancorp, Inc.**

**37 South River Street**

**Aurora, Illinois 60506**

**(630) 892-0202**

(name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies to:**

**Dennis R. Wendte, Esq.**

**Douglas J. Tucker, Esq.**

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Barack Ferrazzano Kirschbaum &

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$1.00 par value per share	1,563,636	N/A	\$14,938,042	\$459

(1) The number of shares of common stock, par value \$1.00 per share, of Old Second Bancorp, Inc. to be registered pursuant to this registration statement is based upon 50% of the number of shares of common stock, par value \$20.00 per share, of HeritageBanc, Inc. presently outstanding or which may be issued and outstanding before the proposed merger transaction to which this registration statement relates, multiplied by the maximum exchange ratio of 375.7386 shares of Old Second Bancorp, Inc. common stock per share of HeritageBanc, Inc. common stock.

(2) Pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended, the registration fee is based on the per share book value of HeritageBanc, Inc. common stock as of September 30, 2007, multiplied by the estimated maximum number of shares that may be exchanged for the Old Second Bancorp, Inc. common stock being registered.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



*The information contained herein is not complete and may change. A registration statement relating to the securities to be issued by Old Second Bancorp, Inc. has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted before the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy these securities in any jurisdiction in which such offer, solicitation or sale is not permitted.*

Subject to completion, dated December 19, 2007

**Proxy Statement/Prospectus**

**Proxy Statement for HeritageBanc, Inc. Special Meeting  
Prospectus of Old Second Bancorp, Inc.**

Dear HeritageBanc Shareholder:

You are cordially invited to attend a special meeting of the shareholders of HeritageBanc, Inc., or HeritageBanc, to be held on \_\_\_\_\_, 2008 at \_\_\_\_\_ .m., local time, at the \_\_\_\_\_, located at \_\_\_\_\_, \_\_\_\_\_, Illinois.

At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger that HeritageBanc entered into with Old Second Bancorp, Inc., or Old Second, on November 5, 2007, which we refer to as the merger agreement, and the merger of Old Second Acquisition, Inc., a newly formed, wholly-owned subsidiary of Old Second, with and into HeritageBanc. If the merger is completed, Old Second will pay the HeritageBanc shareholders aggregate merger consideration of approximately \$86 million in cash and shares of Old Second common stock. In the merger, you may elect to receive cash or shares of Old Second common stock or a combination of cash and shares of Old Second common stock for your shares of HeritageBanc common stock, except that on an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive shares of Old Second common stock and 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive cash. Therefore, depending on elections made by other shareholders, you may ultimately receive more or fewer shares of Old Second common stock and/or more or less cash than you otherwise elected to receive.

All elections for merger consideration are subject to possible proration as described in this proxy statement/prospectus. Subject to possible proration, if you elect to receive the merger consideration in cash, you will receive \$10,332.81 per share in cash. Subject to possible proration, if you elect to receive the merger consideration in shares of Old Second common stock, you will receive between 320.3972 and 375.7386 shares of Old Second common stock depending on the 30-day volume weighted average closing price per share of Old Second common stock on the NASDAQ Global Select Market, determined three days prior to the completion of the merger, which average price we refer to as the final VWAP.

Assuming that the final VWAP is between \$27.50 and \$32.25 per share, if you elect to receive Old Second common stock, the consideration paid in Old Second common stock to you in the merger for each share of HeritageBanc common stock will be valued at \$10,332.81 at the time the stock exchange ratio is calculated. If the final VWAP is less than \$27.50, you will receive 375.7386 shares of Old Second common stock for each HeritageBanc share, the value of which will be less than \$10,332.81 if the market price of Old Second common stock is below \$27.50 when the merger is completed; if the final VWAP is greater than \$32.25, you will receive 320.3972 shares of Old Second common stock for each HeritageBanc share, the value of which will be more than \$10,332.81 if the market price of Old Second common stock is above \$32.25 when the merger is completed.

The formula for determining the appropriate stock election exchange ratio for each share of HeritageBanc common stock is set forth in detail in this proxy statement/prospectus. For examples of how the value of the consideration may change, see The Merger Illustrative Calculation of Per Share Consideration on page .

**Neither the stock election exchange ratio nor the final allocation of merger consideration will be determined until after the date of the special meeting. Therefore, at the time of the special meeting, you will not know the precise value of the stock merger consideration you may receive on the date the merger is completed, and you will not know the actual breakdown of cash and stock you will receive.** Old Second can issue no more than 1,563,636 shares of Old Second common stock to HeritageBanc shareholders as contemplated by the merger agreement.

The affirmative vote of the holders of at least two-thirds of the outstanding shares of HeritageBanc common stock is required to approve and adopt the merger agreement. The merger is also subject to certain other conditions, including regulatory approvals.

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**The board of directors of HeritageBanc unanimously recommends that you vote FOR approval of the merger agreement and the transactions it contemplates.**

**We urge you to read this proxy statement/prospectus carefully because it contains a detailed description of the merger and related matters. In particular, for a description of certain significant considerations in connection with the merger and related matters described in this proxy statement/prospectus, see Risk Factors beginning on page .**

Additional information regarding the transaction, the merger agreement, HeritageBanc and Old Second is set forth in the attached proxy statement/prospectus. This document also serves as the prospectus for up to 1,563,636 shares of common stock that may be issued by Old Second in connection with the merger.

Old Second common stock is traded on the NASDAQ Global Select Market under the symbol OSBC. The closing price of Old Second common stock on , 2008 was \$ . HeritageBanc common stock is not registered on a national securities exchange or quoted on the NASDAQ Stock Market.

Whether or not you plan to attend the special meeting personally, please complete, sign and date the enclosed proxy card and mail it as soon as possible in the enclosed postage-paid envelope. If you attend the special meeting, you may vote in person if you wish, even if you have previously mailed in your proxy card.

**To elect to receive cash, Old Second common stock or a combination thereof for your shares of HeritageBanc common stock, you must return the election form indicating your preference for stock along with your HeritageBanc stock certificates by the deadline indicated on the election materials that were included in the mailing containing this proxy statement/prospectus.**

We thank you for your prompt attention to this matter and appreciate your support.

Sincerely,

John Ladowicz  
Chairman and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

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The shares of Old Second common stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Stock is subject to investment risks, including loss of value.

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The date of this proxy statement/prospectus is \_\_\_\_\_, 2008 and is being first mailed to HeritageBanc shareholders on or about \_\_\_\_\_, 2008.

This proxy statement/prospectus incorporates by reference important business information and financial information about Old Second that is not included in or delivered with this proxy statement/prospectus. See **Where You Can Find More Information** on page \_\_\_\_\_ of this proxy statement/prospectus for a list of documents that Old Second has incorporated by reference into this proxy statement/prospectus. These documents are available to you without charge upon written or oral request made to Old Second Bancorp, Inc., Attention: Investor Relations, 37 S. River Street, Aurora, Illinois 60506, Phone: (630) 892-0202.

**To obtain documents in time for the special meeting, your request should be received by \_\_\_\_\_, 2008.**

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**20201 South LaGrange Road  
Frankfort, Illinois 60423**

**Notice of Special Meeting of Shareholders**

**To Be Held On \_\_\_\_\_, 2008**

A special meeting of the shareholders of HeritageBanc, Inc., an Illinois corporation, to be held on \_\_\_\_\_, 2008 at \_\_\_\_\_ .m., local time, at the \_\_\_\_\_, located at \_\_\_\_\_, Illinois, for the following purposes:

1. \_\_\_\_\_ to consider and approve the Agreement and Plan of Merger, dated November 5, 2007, among Old Second Bancorp, Inc., a Delaware corporation, Old Second Acquisition, Inc., a Delaware corporation and newly formed, wholly-owned subsidiary of Old Second, and HeritageBanc, pursuant to which Old Second Acquisition will merge with and into HeritageBanc, and approve the transactions it contemplates;
2. \_\_\_\_\_ to approve any adjournment of the special meeting if necessary to solicit additional proxies in order to approve the merger agreement; and
3. \_\_\_\_\_ to transact such other business as may properly be brought before the special meeting, or any adjournments or postponements of the special meeting, including whether or not to adjourn the special meeting.

The close of business on \_\_\_\_\_, 2008, has been fixed as the record date for determining those shareholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only shareholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

**Whether or not you plan to attend the special meeting in person, please take the time to vote by completing and mailing the enclosed proxy card.** If you attend the special meeting, you still may vote in person if you wish, even if you have previously returned your proxy card. Because the affirmative vote of the holders of at least two-thirds of the outstanding shares of HeritageBanc common stock is required to approve proposal 1 above, the failure to vote by proxy or in person will have the same effect as a vote against such proposal. Abstentions will have the same effect as a vote against this proposal.

The board of directors of HeritageBanc unanimously recommends that you vote **FOR** approval of the merger agreement and the transactions it contemplates.

By Order of the Board of Directors

HERITAGEBANC, INC.

, 2008

John Ladowicz  
Chairman of the Board and Chief Executive Officer

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**QUESTIONS AND ANSWERS ABOUT THIS DOCUMENT, THE MERGER  
AND THE SPECIAL MEETING**

*The following questions and answers briefly address some commonly asked questions about the special meeting and the proposals you are being asked to consider and vote upon. They may not include all the information that is important to you. We urge you to carefully read this entire proxy statement/prospectus and the other documents we refer to in this document, which will give you a more complete description of the proposed transaction. We have included page references in certain parts of this question and answer summary to direct you to other places in this proxy statement/prospectus where you can find a more complete description of the topics we have summarized.*

**Q: What is the purpose of this document?**

A: This document serves as both a proxy statement of HeritageBanc and a prospectus of Old Second. As a proxy statement, this document is being provided to you by HeritageBanc because the board of directors of HeritageBanc is soliciting your proxy for use at the special meeting of shareholders called to vote on the proposed merger of a subsidiary of Old Second with and into HeritageBanc. When we use the term merger agreement in this document, we are referring to the Agreement and Plan of Merger, a copy of which is included in this document as Appendix A.

As a prospectus, this document is being provided to you by Old Second because part of the consideration Old Second is offering in exchange for your shares of HeritageBanc common stock in connection with the merger consists of shares of Old Second common stock. In the merger, you may elect to receive cash or shares of Old Second common stock or a combination of cash and shares of Old Second common stock for your shares of HeritageBanc common stock, except that on an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive shares of Old Second common stock and 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive cash. Depending on elections made by other shareholders, you may ultimately receive more or fewer shares of Old Second common stock and/or more or less cash than you otherwise elected to receive.

**Q: What am I being asked to vote on?**

A: HeritageBanc shareholders are being asked to approve the merger agreement, pursuant to which a newly formed and wholly-owned subsidiary of Old Second will merge with and into HeritageBanc, and to approve the transactions it contemplates, including the merger. A vote to approve the merger agreement will constitute a vote to approve the merger.

**Q: What will happen to HeritageBanc as a result of the merger?**

A: If the merger is completed, a newly formed and wholly-owned subsidiary of Old Second will merge with and into HeritageBanc, with HeritageBanc being the surviving entity in the merger. As a result, HeritageBanc will no longer be an independent bank holding company but rather a wholly-owned subsidiary of Old Second.



**Q: What vote is required to approve the merger?**

A: At the special meeting, the affirmative vote of the holders of at least two-thirds of the outstanding shares of HeritageBanc common stock is required to approve the merger agreement and the merger. For each share of HeritageBanc common stock you held on the record date, you are entitled to one vote.

**Q: Will Heritage Bank merge as well?**

A: Yes. It is contemplated that Heritage Bank will merge into Old Second National Bank at the same time as, or as soon as practicable after, the merger involving HeritageBanc. The resulting combined bank is expected to operate under the name Old Second National Bank.

**Q: What will I receive for my shares of HeritageBanc common stock?**

A: If the merger is completed, the shares of HeritageBanc common stock that you own immediately before the completion of the merger will be converted into the right to receive cash, shares of Old Second common stock, or a combination of cash and shares of Old Second common stock. On an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive shares of Old Second common stock and 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive cash. Subject to that requirement, you may elect to receive all cash, all Old Second common stock or a combination of both for your shares of HeritageBanc common stock. Subject to possible proration, if you elect to receive the merger consideration in all cash, you will receive \$10,332.81 per share in cash. Subject to possible proration, if you elect to receive the merger consideration in all shares of Old Second common stock, you will receive between 320.3972 and 375.7386 shares of Old Second common stock for each share of HeritageBanc common stock, depending on the 30-day volume weighted average closing price per share of Old Second common stock on the NASDAQ Global Select Market, which average price we refer to as the final VWAP. You may also elect to receive a combination of cash and shares of Old Second common stock for your shares of HeritageBanc common stock, in which case you will receive \$10,332.81 in cash for each HeritageBanc share converted into cash and the above-described stock consideration for each HeritageBanc share converted into stock. All elections are subject to the proration procedures describe in greater detail later in this proxy statement/prospectus. Depending on elections made by other shareholders, you may ultimately receive more or fewer shares of Old Second common stock and/or more or less cash than you otherwise elected to receive. See The Merger Proration Procedures beginning on page [ ].

**Q: If I elect to receive Old Second common stock, what will be the value of the shares I receive for each share of my HeritageBanc common stock?**

A: Assuming that the final VWAP is between \$27.50 and \$32.25 per share, if you elect to receive Old Second common stock, you will receive between 320.3972 and 375.7386 shares of Old Second common stock for each share of HeritageBanc common stock, the value of which shares, based on the final VWAP, will be \$10,332.81 at the time the stock exchange ratio is calculated, which is the same amount per share as the cash consideration. If the final VWAP is less than \$27.50, you will receive 375.7386 shares of Old Second common stock for each HeritageBanc share, the value of which will be less than \$10,332.81 if the market price of Old Second common stock is below \$27.50 when the merger is completed; if the final VWAP is greater than \$32.25, you will receive 320.3972 shares of Old Second common stock for each HeritageBanc share, the value of which will be more than \$10,332.81 if the market price of Old Second common stock is





above \$32.25 when the merger is completed. The formula for determining the appropriate stock election exchange ratio for each share of HeritageBanc common stock is set forth in detail in this proxy statement/prospectus. For examples of how the value of the consideration may change, see The Merger Illustrative Calculation of Per Share Consideration beginning on page [ ].

**Neither the stock election exchange ratio nor the final allocation of merger consideration will be determined until after the date of the special meeting. Therefore, at the time of the special meeting, you will not know the precise value of the stock merger consideration you may receive on the date the merger is completed, and you will not know the actual breakdown of cash and stock you will receive.**

**Q: Can the value of the transaction change between now and the time the merger is completed?**

A: Yes. As described in the preceding Q&A, the value of the stock portion of the merger consideration can change if the final VWAP is less than \$27.50 or greater than \$32.25. The value of the cash portion of the consideration, however, will be fixed at \$10,332.81 per share of HeritageBanc common stock.

**Q. How do I elect the form of payment I will receive in the merger?**

A: Subject to the limitations described in this proxy statement/prospectus, you may elect to receive Old Second common stock, cash, or a combination thereof by using the election form that was included in the mailing containing this proxy statement/prospectus. You should review the written instructions on such election form and make an election with respect to your shares of HeritageBanc common stock, sign the form, enclose your HeritageBanc common stock certificates and return the form and your certificates in the separate envelope provided so that they are received by the exchange agent prior to 5:00 p.m. central time on [ ], 2008, which we refer to as the election deadline.

If you do not make a timely election, you will be allocated cash, shares of Old Second common stock or a combination thereof as needed to satisfy the overall 50% cash and 50% stock requirement discussed below.

**Q. How do I elect the form of payment I will receive in the merger if my shares of HeritageBanc are held by the Heritage ESOP?**

A: If your shares are held by the Heritage ESOP, instructions will be sent to you by mail regarding election procedures directly from Horizon Trust & Investment Management, N.A., or Horizon Trust, the independent trustee of the Heritage ESOP. If you have any questions regarding these procedures, you should contact Glenn Ball at Horizon Trust at (219) 873-2622.

**Q. Am I guaranteed to receive merger consideration in the respective amounts of Old Second common stock or cash that I request on my election form?**

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A. No. All shareholder elections are subject to the requirement that, on an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock must be converted into the right to receive cash and 50% of the outstanding shares of HeritageBanc common stock must be converted into the right to receive Old Second common stock. Therefore, depending on elections made by other shareholders, the exchange agent may modify your election to satisfy this requirement, which means that you may ultimately receive more or fewer shares of Old Second common stock and/or more or less cash than you otherwise elected to receive. For a description of the manner

in which the exchange agent will modify cash/stock elections to achieve the 50% cash and 50% stock requirement provided in the merger agreement, see The Merger Proration Procedures beginning on page [ ].

**Neither the stock election exchange ratio nor the final allocation of merger consideration will be determined until after the date of the special meeting. Therefore, at the time of the special meeting, you will not know the precise value of the stock merger consideration you may receive on the date the merger is completed, and you will not know the actual breakdown of cash and stock you will receive.** See The Merger Merger Consideration beginning on page [ ].

**Q. Can I revoke or change my election after I mail my form of election?**

A. Yes. You may revoke or change your election at any time before the election deadline. You can do this by sending a written notice of such revocation or change in your election to the exchange agent at the address contained on the election form that was included in the mailing containing this proxy statement/prospectus. However, as noted above, any HeritageBanc shareholder who has not made a valid election by the election deadline will be allocated cash, shares of Old Second common stock or a combination thereof as needed to satisfy the overall 50% cash and 50% stock requirement provided in the merger agreement.

**Q. What do I need to do now?**

A. After reviewing this proxy statement/prospectus, submit your proxy by promptly executing and returning the enclosed proxy card. By submitting your proxy, you authorize the individuals named in the proxy to represent you and to vote your shares at the special meeting of shareholders in accordance with your instructions. These persons also may vote your shares to adjourn the special meeting and will be authorized to vote your shares at any adjournments or postponements of the special meeting.

Your vote is important. Whether or not you plan to attend the special meeting, please promptly submit your proxy in the enclosed envelope.

**Q. What should I do if some or all of my shares of HeritageBanc are held by the Heritage Employee Stock Ownership Plan?**

A. If you hold shares of HeritageBanc common stock as a participant in the Heritage Employee Stock Ownership Plan, or the Heritage ESOP, you will be receiving this proxy statement/prospectus, together with a confidential voting instruction form, from Horizon Trust, the independent trustee of the Heritage ESOP. You should submit your confidential voting instruction form directly to Horizon Trust. The Heritage ESOP trustee will vote in its discretion, subject to its fiduciary duties, any shares held by the Heritage ESOP as to which no voting instructions have been received. If you have any questions regarding these procedures, you should contact Glenn Ball at Horizon Trust at (219) 873-2622, or you may contact HeritageBanc at the address or telephone number listed at the end of this section.

If you hold a portion of your shares of HeritageBanc common stock as a participant in the Heritage ESOP and a portion of your shares outside of the Heritage ESOP, you should submit a confidential voting instruction form with respect to the shares held through the Heritage ESOP to the

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Heritage ESOP trustee and also submit a proxy for the shares held outside the Heritage ESOP to HeritageBanc.

from HeritageBanc directly. You should submit a proxy for these shares by promptly executing and returning the proxy card enclosed in the materials received from HeritageBanc directly.

**Q. How will my shares be voted if I return a blank proxy card?**

A. If you sign, date and return your proxy card and do not indicate how you want to vote, your proxy will be counted as a vote in favor of the merger and the merger agreement and will be voted in the discretion of the persons named as proxies in any other matters properly presented for a vote at the special meeting.

**Q. What will be the effect if I do not vote?**

A. If you abstain or do not return your proxy card or otherwise do not vote at the special meeting, your failure to vote will have the same effect as if you voted against the merger agreement and the merger. Therefore, the board of directors of HeritageBanc encourages you to vote in favor of the merger agreement and the proposed merger as soon as possible.

**Q. Can I vote my shares in person?**

A. Yes, if you own shares registered in your own name, you may attend the special meeting and vote your shares in person rather than signing and mailing your proxy card. However, in order to ensure that your vote is counted at the special meeting, we recommend that you sign, date and promptly mail the enclosed proxy card. If your shares are held by the Heritage ESOP, you will not be able to vote in person at the special meeting.

**Q. Can I change my mind and revoke my proxy?**

A. Yes, you may revoke your proxy and change your vote at any time prior to its exercise at the special meeting by:

- signing another proxy with a later date and filing it with the corporate secretary of HeritageBanc;
- filing written notice of the revocation of your proxy with the corporate secretary of HeritageBanc; or
- attending the special meeting and voting in person.

**Q: What if I oppose the merger? Do I have dissenters' rights?**

A: Dissenters' rights are available under the Illinois Business Corporation Act of 1983, or the IBCA. A copy of the applicable provisions of the IBCA is attached as Appendix C to this proxy statement/prospectus. Heritage ESOP participants do not have dissenters' rights for shares held through the Heritage ESOP.

**Q: Is the merger expected to be taxable to me?**

A: Yes, if you own shares of HeritageBanc registered in your own name rather than through the Heritage ESOP. The receipt of the merger consideration for HeritageBanc common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. Old Second intends to file a Section 338(h)(10) election with the Internal Revenue Service, and as a result, the merger will be treated as if HeritageBanc had sold all of its assets to Old Second and

HeritageBanc liquidated immediately following the sale. Accordingly, you will recognize gain or loss as a result of the merger measured by the difference, if any, between the fair market value of the Old Second common stock as of the effective time of the merger and the cash received and your adjusted tax basis in the HeritageBanc common stock exchanged therefor in the merger. For a more complete discussion of the material U.S. federal income tax consequences of the merger, you should read *The Merger* Material U.S. Federal Income Tax Consequences beginning on page . Heritage ESOP participants will receive additional information regarding possible tax consequences to the Heritage ESOP participants from the ESOP trustee.

**Q: When do you expect the merger to be completed?**

A: If approved by the HeritageBanc shareholders, we anticipate closing the merger in the first quarter of 2008. However, it is possible that factors outside our control could require us to complete the merger at a later time or not complete it at all. In addition, even if the HeritageBanc shareholders approve the merger agreement and the merger, either HeritageBanc or Old Second could still terminate the merger agreement under certain circumstances. See *The Merger Agreement* Termination of the Merger Agreement beginning on page .

**Q: Should I send in my stock certificates now?**

A: You should not send in your stock certificates with your proxy card. Election materials, including a transmittal form, were included in the mailing containing this proxy statement/prospectus. Please follow the instructions in those election materials regarding the process for submitting your stock certificates to the exchange agent.

**Q: Who can answer my questions about the merger?**

A: If you have more questions about the merger agreement or the merger, please contact Patrick J. Roe, President of HeritageBanc, at (815) 361-6415.



## SUMMARY

*This brief summary highlights selected information from this proxy statement/prospectus and does not contain all of the information that may be important to you. We urge you to carefully read this entire proxy statement/prospectus and the other documents we refer to in this document, which will give you a more complete description of the proposed transaction. For more information about Old Second Bancorp, Inc., see *Where You Can Find More Information* beginning on page ----. We have included page references in this summary to direct you to other places in this proxy statement/prospectus where you can find a more complete description of the topics we have summarized.*

*As used in this proxy statement/prospectus, the term *Old Second* refers to Old Second Bancorp, Inc. and its consolidated subsidiaries, and *HeritageBanc* refers to HeritageBanc, Inc. and its consolidated subsidiaries, in each case unless the context indicates otherwise.*

### **The Companies** (See page )

#### **Old Second Bancorp, Inc.**

37 South River Street  
Aurora, Illinois 60506  
(630) 892-0202

Old Second, incorporated under the laws of Delaware in 1981, is a registered bank holding company under the Bank Holding Company Act. Old Second's principal assets are the shares of stock of its bank and non-bank subsidiaries. As of September 30, 2007, Old Second reported, on a consolidated basis, total assets of approximately \$2.6 billion, deposits of approximately \$2.2 billion and shareholders' equity of approximately \$142.6 million.

Old Second conducts a full service community banking and trust business through its wholly-owned subsidiaries. Old Second National Bank is a national bank chartered by the Office of the Comptroller of the Currency, or the OCC, under the National Bank Act and has 30 branches in the greater Chicago metropolitan area, concentrated in the western and southwestern suburbs of the city. The deposit accounts of Old Second National Bank are insured by the FDIC's Deposit Insurance Fund, and it is a member of the Federal Reserve System. Old Second Financial, Inc. provides insurance agency services to individuals and corporations. Old Second Affordable Housing Fund, L.L.C. provides down payment assistance for home ownership to qualified individuals. Old Second Management, LLC owns 100% of Old Second Realty, LLC, a real estate investment trust.

Old Second common stock is traded on the NASDAQ Global Select Market under the symbol OSBC.

#### **HeritageBanc, Inc.**

20201 South LaGrange Road  
Frankfort, Illinois 60423  
(815) 469-7600

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HeritageBanc, incorporated under the laws of Illinois in 1969, is a registered bank holding company under the Bank Holding Company Act. HeritageBanc's principal assets are the shares of stock of its bank subsidiary, Heritage Bank, headquartered in Frankfort, Illinois, which operates five full-service branches throughout the southern suburbs of Chicago. Heritage Bank offers a full range of commercial and retail banking products and services. As of September 30, 2007, Heritage Bank reported

total assets of approximately \$341.9 million, deposits of approximately \$300.6 million and shareholders' equity of approximately \$30.0 million.

**The Merger (See page )**

At the effective time of the merger, Old Second Acquisition, Inc., a newly formed, wholly-owned subsidiary of Old Second, will merge with and into HeritageBanc, and Old Second will issue a combination of cash and shares of its common stock to the shareholders of HeritageBanc in exchange for their shares of HeritageBanc common stock. Old Second Acquisition will cease to exist as a separate corporation, and HeritageBanc will be the surviving corporation as a wholly-owned subsidiary of Old Second. It also is contemplated that at or after the effective time of the merger, Heritage Bank will be merged into Old Second National Bank and the combined bank will operate under the name Old Second National Bank.

**Merger Consideration (See page )**

If the merger is completed, Old Second will pay the HeritageBanc shareholders aggregate merger consideration of approximately \$86 million in cash and shares of Old Second common stock. At closing, Old Second will deliver to the exchange agent a secured promissory note for the cash portion of the aggregate merger consideration, payable five days after the note is issued, and stock certificates representing, in the aggregate, all of the shares of Old Second common stock to be issued in the merger.

The shares of HeritageBanc common stock that you own immediately before the completion of the merger will be converted into the right to receive cash, shares of Old Second common stock, or a combination of cash and shares of Old Second common stock. On an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive shares of Old Second common stock and 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive cash. Subject to that requirement, you may elect to receive all cash, all Old Second common stock or a combination of both for your shares of HeritageBanc common stock. Subject to possible proration, if you elect to receive the merger consideration in all cash, you will receive \$10,332.81 per share in cash. Subject to possible proration, if you elect to receive the merger consideration in all shares of Old Second common stock, you will receive between 320.3972 and 375.7386 shares of Old Second common stock for each share of HeritageBanc common stock, depending on the final VWAP. You may also elect to receive a combination of cash and shares of Old Second common stock for your shares of HeritageBanc common stock, in which case you will receive \$10,332.81 in cash for each HeritageBanc share converted into cash and the above-described stock consideration for each HeritageBanc share converted into stock. All elections are subject to the proration procedures described in the merger agreement.

Assuming that the final VWAP is between \$27.50 and \$32.25 per share, the consideration paid in Old Second common stock to you in the merger for each share of HeritageBanc common stock will be valued at \$10,332.81 at the time the final VWAP is calculated (based upon the final VWAP). If the final VWAP is less than \$27.50, you will receive 375.7386 shares of Old Second common stock for each HeritageBanc share, the value of which will be less than \$10,332.81 if the market price of Old Second common stock is below \$27.50 when the merger is completed; if the final VWAP is greater than \$32.25, you will receive 320.3972 shares of Old Second common stock for each HeritageBanc share, the value of which will be more than \$10,332.81 if the market price of Old Second common stock is above \$32.25 when the merger is completed.

The formula for determining the appropriate stock election exchange ratio for each share of HeritageBanc common stock is set forth in detail in this proxy statement/prospectus. For examples of



how the value of the consideration may change, see [The Merger Illustrative Calculation of Per Share Consideration](#) beginning on page [ ].

Neither the stock exchange ratio nor the final allocation of merger consideration will be determined until after the date of the special meeting. Therefore, at the time of the special meeting, you will not know the precise value of the stock merger consideration you may receive on the date the merger is completed, and you will not know the actual breakdown of cash and stock you will receive.

Each share of Old Second common stock issued and outstanding prior to the merger will remain issued and outstanding and will not be converted or exchanged in the merger.

**No Fractional Shares will be Issued (See page )**

Old Second will not issue any fractional shares in the merger. Instead, you will receive cash in lieu of any fractional share of Old Second common stock owed to you, after taking into account all shares of HeritageBanc common stock delivered by you. For each fractional share, cash will be paid in an amount determined by multiplying the fractional share by the final VWAP.

**Material United States Federal Income Tax Consequences of the Merger (See page )**

The parties hereto intend for the merger to constitute a qualified stock purchase within the meaning of Internal Revenue Code Section 338(d)(3). Old Second intends to file a Section 338(h)(10) election with the Internal Revenue Service, which will require, among other things, that each HeritageBanc shareholder execute the appropriate election form. Because the obligations of Old Second to consummate the merger are subject to the receipt of a valid 338(h)(10) election, this proxy statement/prospectus assumes that a valid Section 338(h)(10) election will be filed. As a result, the merger will be treated as if HeritageBanc had sold all of its assets to Old Second and HeritageBanc liquidated immediately following the sale.

Assuming the Section 338(h)(10) election is made, then your receipt of cash, Old Second common stock or a combination thereof in the merger will be treated as a taxable transaction for U.S. federal income tax purposes. Although the tax consequences of the merger to you may depend on your individual situation, you generally will recognize gain or loss equal to the difference between the sum of the cash (including cash received for fractional shares) and the fair market value (on the date of completion of the merger) of the Old Second common stock received in the merger and your adjusted basis in the HeritageBanc common stock you surrender in the merger. A portion of the gain will be treated as ordinary income. Each share of Old Second common stock you receive in exchange for your HeritageBanc common stock will have a basis equal to its fair market value on the date of completion of the merger.

**Tax matters are very complicated and the tax consequences of the merger to you will depend on the facts of your own situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.**

**Reasons for the Merger (See page )**

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HeritageBanc believes that the merger with Old Second is consistent with HeritageBanc's goal of enhancing shareholder value and liquidity. In addition, HeritageBanc believes that the customers and communities served by HeritageBanc will benefit from the merger.

Old Second believes that the merger with HeritageBanc presents Old Second with an attractive opportunity to expand its market presence in the greater Chicago metropolitan area. In addition, Old Second expects that the merger will allow it to further diversify its loan portfolio and lower deposit costs and believes that the merger is a good opportunity to execute on its strategic growth plan.

You can find a more detailed discussion of the background to the merger agreement and HeritageBanc's and Old Second's reasons for the merger in this proxy statement/prospectus under "The Merger - Background of the Merger" beginning on page [ ], "The Merger - HeritageBanc's Reasons for the Merger and Board Recommendation" beginning on page [ ], and "The Merger - Old Second's Reasons for the Merger" beginning on page [ ].

#### **Fairness Opinion of HeritageBanc's Financial Advisor (See page )**

Among other factors considered in deciding whether to approve the merger agreement and the merger, HeritageBanc's board of directors received the written opinion of its financial advisor, Stifel, Nicolaus & Company, Incorporated, that as of November 5, 2007, which was the date on which the HeritageBanc board of directors approved the merger agreement and the merger, and based on and subject to the considerations in its opinion, the aggregate merger consideration to be received by holders of shares of HeritageBanc common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. Stifel's opinion is included as Appendix B to this proxy statement/prospectus and is incorporated herein by reference. You should read this opinion completely to understand the assumptions made, matters considered and limitations of the review undertaken by Stifel in providing its opinion.

#### **Recommendation to HeritageBanc Shareholders (See page )**

HeritageBanc's board of directors believes that the merger agreement and the transactions contemplated thereby, including the merger, are advisable to, fair to and in the best interests of HeritageBanc and its shareholders and unanimously recommends that you vote FOR the approval and adoption of the merger agreement and the transactions contemplated thereby, including the merger.

#### **Interests of Certain Persons in the Merger (See page )**

Certain executive officers and members of the board of directors of HeritageBanc have interests in the merger that are in addition to their interests as shareholders of HeritageBanc. Among other things, certain executive officers of HeritageBanc, who are also members of the board of directors, will be employed by Old Second following the merger, and these executives will be eligible to receive awards under benefit plans of HeritageBanc and Old Second.

#### **The Special Meeting (See page )**