

1ST CONSTITUTION BANCORP
Form PRE 14A
March 07, 2003

1ST CONSTITUTION BANCORP
P.O. Box 634
2650 Route 130 North
Cranbury, New Jersey 08512

To Our Shareholders:

You are cordially invited to attend the Annual Meeting (the Annual Meeting) of Shareholders of 1st Constitution Bancorp (the Company) to be held on Thursday, May 15, 2003 at [to be determined], at [to be determined].

At the Annual Meeting, shareholders will be asked to consider and vote upon the following matters:

- (1) The election of one Director to the Company s Board of Directors;
- (2) The ratification of the selection of KPMG LLP as independent auditor of the Company for the 2003 fiscal year; and
- (3) The conduct of other business if properly raised.

The Board of Directors of the Company believes that the election of the nominee and the proposal being submitted to the shareholders are in the best interest of the Company and its shareholders and urges you to vote in favor of the nominee and the proposal.

Very truly yours,

Robert F. Mangano
President and Chief Executive Officer

Cranbury, New Jersey

March __, 2003

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE YOUR COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO INSURE A QUORUM AT THE ANNUAL MEETING. A STAMPED SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE

1ST CONSTITUTION BANCORP
P.O. Box 634
2650 Route 130 North
Cranbury, New Jersey 08512

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD THURSDAY, MAY 15, 2003

Notice is hereby given that the Annual Meeting (the Annual Meeting) of Shareholders of 1st Constitution Bancorp (the Company) will be held at [to be determined] on Thursday, May 15, 2003, at [to be determined], for the purpose of considering and voting upon the following matters:

- (1) The election of one Director to the Company's Board of Directors;
- (2) The ratification of the selection of KPMG LLP as independent auditor of the Company for the 2003 fiscal year; and
- (3) The conduct of other business if properly raised.

Shareholders of record at the close of business on March 17, 2003 are entitled to notice of and to vote at the Annual Meeting. Whether or not you contemplate attending the Annual Meeting, it is suggested that the enclosed Proxy be executed and returned to the Company. You may revoke your Proxy at any time prior to the exercise of the Proxy by delivering to the Company a later Proxy or by delivering a written notice of revocation to the Company.

BY ORDER OF THE BOARD OF DIRECTORS

Robert F. Mangano
President and Chief Executive Officer

IMPORTANT-PLEASE MAIL YOUR PROXY PROMPTLY

You are urged to sign and return the enclosed white proxy card to the Company promptly in the envelope provided so that there may be sufficient representation at the Annual Meeting.

The date of this Proxy Statement is March __, 2003.

**1ST CONSTITUTION BANCORP
P.O. Box 634
2650 Route 130 North
Cranbury, New Jersey 08512**

**PROXY STATEMENT FOR ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD ON MAY 15, 2003**

GENERAL PROXY STATEMENT INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors for use in the Company's Annual Meeting to be held on May 15, 2003, at [to be determined], at [to be determined] (the Annual Meeting).

The first date on which this Proxy Statement and the enclosed form of Proxy are being sent to the shareholders of the Company is on or about March __, 2003.

1st Constitution Bank is a subsidiary of the Company and is sometimes referred to as the Bank.

Outstanding Securities and Voting Rights

The close of business of the Company (5:00 p.m. Eastern Time) on March 17, 2003, has been fixed by the Board of Directors as the record date and hour for determining shareholders entitled to notice of and to vote at the Annual Meeting (the

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Record Date). Only shareholders of record as of that date and hour will be entitled to notice of, and to vote at, the Annual Meeting.

On the Record Date, _____ shares of Common Shares of the Company (Company Common Stock) were issued and outstanding and eligible to be voted at the Annual Meeting. Each share of Company Common Stock is entitled to one vote per share at the Annual Meeting. There are no other outstanding voting securities of the Company other than the Company Common Stock.

If the white proxy card is properly signed by a shareholder and is not revoked, the shares represented thereby will be voted at the Annual Meeting in the manner specified on the proxy, or if no manner is specified with respect to any matter therein, such shares will be voted by the persons designated therein (a) FOR the election of one director named below; (b) FOR the ratification of the selection of KPMG LLP as the Company's independent auditors for the fiscal year ending December 31, 2003; and (c) in connection with the conduct of other business if properly raised, in accordance with the judgment of the person or persons voting the proxy. If the nominee for director is unable to serve or for good cause will not serve, an event that is not anticipated by the Company, the shares represented by the accompanying proxy will be voted for a substitute nominee designated by the Board of Directors. Should any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon such matters according to their discretion, unless the shareholder otherwise specifies in the Proxy.

At the Annual Meeting, the affirmative vote of a plurality of the votes cast is required to elect a director and the affirmative vote of a majority of the votes cast is required to ratify the selection of KPMG LLP as independent auditor of the Company for the 2003 fiscal year. Election inspectors appointed for the meeting will tabulate the votes cast by proxy or in person at the meeting. The election inspectors will determine whether or not a quorum is present. Votes will NOT be considered cast if the shares are not voted for any reason, including an abstention indicated as such on a written proxy or ballot, directions are given in a written proxy to withhold votes, or if the votes are withheld by a broker.

Revocability of Proxies

Any shareholder giving a Proxy has the right to attend and vote at the Annual Meeting in person. A Proxy may be revoked prior to the Annual Meeting by sending written notice of revocation or a duly executed Proxy bearing a later date to the Company at 2650 Route 130 North, Cranbury, New Jersey 08512, Attention: Corporate Secretary. A Proxy may be revoked at the Annual Meeting by filing written notice of such revocation with the Secretary of the Annual Meeting prior to the voting of such Proxy.

Solicitation of Proxies

This proxy solicitation is being made by the Board. The cost of the solicitation will be borne by the Company. In addition to the use of the mails, proxies may be solicited personally or by telephone, facsimile, email, or telegraph by officers, Directors and employees of the Company, who will not be specially compensated for such solicitation activities. The Company may retain a proxy-soliciting firm to assist it in soliciting proxies. If so, the Company would pay the proxy-soliciting firm a fee and reimburse it for certain out-of-pocket expenses. Arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries for forwarding solicitation materials to the beneficial owners of Common Stock held of record by such persons and the Company will reimburse such persons for their reasonable expenses incurred in forwarding the materials.

ELECTION OF DIRECTORS

The Company's Board of Directors is divided into three separate classes of directors, designated as Class I, Class II, and Class III. The Director in Class I is serving for an initial term of one year which expires at the Annual Meeting; Directors in Class II are serving an initial term of two years which expires in 2004; Directors in Class III are serving for an initial term of three years, which expires in 2005, and in each case until their successors shall be duly elected and qualified. At each annual meeting of shareholders, one class of directors will be elected for terms of three years to succeed those directors in the class whose terms then expire. The only Director nominated for election at the Annual Meeting is the sole Director in Class I - Charles S. Crow, III.

The number of nominees was determined by the Board of Directors pursuant to the Company's By-Laws. If, for any reason, the nominee becomes unavailable for election or service on the Board, the proxy solicited by the Board will be voted for such substituted nominee as is selected by the Board or the size of the Board may be reduced. The Board believes that the named nominee is available, and, if elected, will be able to serve.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of (i) the nominee for election to Director, (ii) the Directors whose terms extend beyond 2003, and (iii) the executive officer of the Company who does not also serve as Director of the Company, the other positions and offices presently held by such persons with the Company, if any, the period during which such persons have served on the Board of Directors of the Company, the expiration of the individuals terms as Director, and the principal occupations and employment of the individuals during the past five years.

CLASS NOMINATED FOR ELECTION AT 2003 ANNUAL MEETING

Name and Position with the Company, if any	Age	Class	Director Since	Expiration of Term	Principal Occupation
Charles S. Crow, III	53	I	1999	2003	Attorney, Crow & Associates, Princeton, New Jersey

DIRECTORS WHOSE TERMS EXTEND BEYOND THE 2003 ANNUAL MEETING

Name and Position with the Company, if any	Age	Class	Director Since	Expiration of Term	Principal Occupation
Edward D. Knapp, Director, Chairman of the Board	68	III	1999	2005	Chairman of the Board and Loan Review Officer of 1st Constitution Bank/Cranbury, New Jersey
Robert F. Mangano, Director, President and Chief Executive Officer	57	III	1999	2005	President and Chief Executive Officer, 1st Constitution Bank/Cranbury, New Jersey
William M. Rue, Director	55	II	1999	2004	President, Rue Insurance/Trenton, New Jersey
Frank E. Walsh, III, Director	35	II	1999	2004	Vice President, Jupiter Capital Management/Morristown, New Jersey

EXECUTIVE OFFICER

Name and Position with the Company	Age	Principal Occupation
Joseph M. Reardon Senior Vice President and Treasurer	50	Senior Vice President and Treasurer 1 st Constitution Bank/Cranbury, New Jersey

Directors

Set forth below is the name of, and certain biographical information regarding, the directors of the Company.

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Charles S. Crow, III is a partner in the law firm of Crow & Associates in Princeton, New Jersey. From January 1, 1992 to November 30, 1998, he was a partner in the law firm of Crow & Tartanella in Somerset, New Jersey.

Edward D. Knapp is the Chairman of the Board of the Company and the Board of the Bank since 1995. He is the Loan Review Officer of the Bank. He is the retired President and Chief Executive Officer of First Fidelity Bank, N.A., New Jersey. He began his career at First Fidelity in 1956, was elected its president in 1978, and retired in 1990.

Robert F. Mangano is the President and Chief Executive Officer of the Company and of the Bank. Prior to joining the Bank in 1996, Mr. Mangano was President and Chief Executive Officer of Urban National Bank, a community bank in the northern part of New Jersey for a period of three years and a Senior Vice President of another bank for one year. Prior to that he held a senior position with the Midlantic Corporation for 21 years. He is a Director of the Englewood Hospital Medical Center and serves as Vice Chairman of the Board of the Hospital. Mr. Mangano is on the Executive Board of the George Washington Council of the Boy Scouts of America and has served as Treasurer of the John Harms Theater.

William M. Rue is President of Rue Insurance in Trenton, New Jersey. He is also a director of Selective Insurance Group. He has been a Chartered Property Casualty Underwriter since 1972 and an Associate in Risk Management since 1994. Mr. Rue also serves as a trustee of Rider University and a director of the Robert Wood Johnson University Hospital at Hamilton. He is a member of the Cranbury Township Zoning Board of Adjustment.

Frank E. Walsh, III has been a Vice President of Jupiter Capital Management based in Morristown, New Jersey, since 1991. Jupiter, and its affiliated entities, make investments across numerous asset classes for their clients. Prior to joining Jupiter, Mr. Walsh was an analyst for Kidder Peabody, Inc., in New York City. Mr. Walsh serves as a director for several other charitable and for-profit boards.

No Director of the Company is also a director of any company registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Investment Company Act of 1940.

All of the above directors of the Company also serve as directors of the Bank.

Executive Officer

Set forth below is the name of, and certain biographical information regarding, an executive officer of the Company who does not serve as a director of the Company.

Joseph M. Reardon is the Senior Vice President and Treasurer of the Company and the Bank. Prior to joining the Bank in May 2000, Mr. Reardon held financial executive positions with a number of firms including most recently 13 years with B.M.J. Financial Corp., a bank holding company ending in April 1997. Mr. Reardon briefly retired from April 1997 to April 1998. He came out of retirement to act as chief financial officer of the New Jersey State Aquarium at Camden, a position he held until April 2000.

Board Meetings; Committees of the Board

The Board held 8 meetings during 2002. The Company does not have a Nominating Committee or Compensation Committee. Pursuant to the Company's by-laws, nominations for the election of directors may be made by the Board, by a committee appointed by the Board or by any shareholder entitled to vote in the election of directors generally. Any shareholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a shareholders' meeting only if written notice of such shareholder's intent to make such nomination or nominations has been

given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not later than (i) with respect to an election to be held at an annual meeting of shareholders, 90 days prior to the anniversary date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to the shareholders. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nominations and of the person or persons to be nominated; (b) each nominee's age and principal occupation or employment; (c) the number of shares of equity securities of the Company beneficially owned by each nominee; (d) a representation that the shareholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by

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proxy at the meeting to nominate the person or persons specified in the notice; (e) a description of all arrangements or understandings between the shareholders and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (f) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (g) the consent of each nominee to serve as a director of the Company if so elected. A shareholder who does not comply with the foregoing procedures may be precluded from nominating a candidate for election as a director at a meeting of shareholders.

During 2002, the Company appointed an Audit Committee, which held 3 meetings in 2002.

Each Director attended at least 75% of all meetings of the Board and all committees to which he was assigned. There are no other standing committees of the Board of Directors.

Audit Committee. The Audit Committee periodically reviews the Company's auditing practices and procedures and makes recommendations to management or to the Board of Directors as to any changes to such practices and procedures deemed necessary from time to time to comply with applicable auditing rules, regulations and practices and recommends independent auditors for the Company.

Members of the Audit Committee: Charles S. Crow, III, William M. Rue and Frank E. Walsh, III.

Director Compensation

Directors of the Company do not receive compensation for Board and/or committee service. However, each Director of the Company is a Director of the Bank. During 2002, the Board of Directors of the Bank held eleven meetings (eight of which included a meeting of the Board of the Company). The only committee of the Board of the Company is the Audit Committee, which met together with the Board of the Bank Audit Committee three times during 2002. All non-employee directors of the Company are members of the Audit Committee of the Company. The Human Resources Committee of the Bank held three meetings during 2002 which included the committee administering the Company's Employee Stock Option and Restricted Stock Plan (the Plan), which is comprised of the non-employee Directors of the Company, for the purposes of administering the Plan and the consideration of compensation of Company personnel. During 2002, non-employee directors of the Bank were compensated for services rendered in that capacity at the rate of \$300 per Bank Board meeting and \$300 per Bank Board committee meeting attended. During 2002, the Company granted 525 shares of Restricted Stock to Edward D. Knapp, Chairman of the Board of the Company and the Bank, subject to vesting based on continued service and adjusted for the stock dividend declared on December 19, 2002.

STOCK OWNERSHIP OF MANAGEMENT AND PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of the Company Common Stock as of March __, 2003 by each Director/nominee, by the Company's named executive officers, by all Directors and Executive Officers as a group, and by any individual or group owning 5% or more of the Company Common Stock. Except as set forth in the table, the Company knows of no person or group that beneficially owns 5% or more of the Company Common Stock. Unless otherwise specified, all persons listed below have sole voting and investment power with respect to their shares of Company Common Stock.

Names of Beneficial Owner	Number of Shares Beneficially Owned (a)	Percent of Stock
Charles S. Crow, III	(b)	
Edward D. Knapp	(c)	
Robert F. Mangano	(d)	
William M. Rue, C.P.C.U	(e)	
Frank E. Walsh, III	(f)	
Joseph M. Reardon	(g)	
All Directors and Executives Officers of the Company as a Group (5 Persons)	(h)	

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Names of Beneficial Owner	Number of Shares Beneficially Owned (a)	Percent of Stock
Greater Community Bancorp 5% Shareholder Totowa, New Jersey 07512	(i) 112,595	

- (a) The securities beneficially owned by an individual are determined in accordance with the definition of beneficial interest set forth in the regulations of the Securities and Exchange Commission and, accordingly, may include securities owned by or for, among others, the wife and/or minor children of the individual and any other relative who has the same home as the individual, as well as other securities as to which the individual has or shares voting investment power. Beneficial ownership may be disclaimed as to some of the shares. A person is also deemed to beneficially own shares of Company Common Stock which such person does not own but has a right to acquire presently or within the next sixty (60) days.
- (b) Includes options to purchase [____] shares of Company Common Stock, [____] shares of Company Common Stock held by Crow & Associates Profit Sharing Plan and [____] shares of Company Common Stock held by Crow Family Associates, LLC and excludes options for [____] shares which will vest on _____, 2003.
- (c) Includes [____] shares of Company Common Stock held by Mr. Knapp's wife, options to purchase [____] shares of Company Common Stock, of which [____] are currently exercisable and included in the table, and a grant of [____] shares of Restricted Stock, of which [____] has vested and is included in the table, the balance is subject to vesting based on continued service, and (ii) excludes [____] shares of restricted stock granted December 20, 2001, subject to vesting over 4 years.
- (d) Mr. Mangano owns [____] shares directly. The amount in the table also includes options to purchase [____] shares of Company Common Stock and excludes options to acquire [____] shares of Company Common Stock that are not currently exercisable.
- (e) Includes [____] shares of Company Common Stock held by or on behalf of Mr. Rue's children and includes options to purchase [____] shares of Company Common Stock, and (ii) excludes option for [____] shares which will vest on _____, 2003.
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- (f) Includes [____] shares of Company Common Stock owned by Waterville Partners, L.P., over which Mr. Walsh may be deemed to have beneficial ownership and includes options to purchase [____] shares of Company Common Stock and (ii) excludes options to purchase [____] shares which will vest on _____, 2003.
- (g)&n