

LAKELAND BANCORP INC
Form S-4
March 15, 2013
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As filed with the SEC on March 15, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LAKELAND BANCORP, INC.

(Exact name of registrant as specified in its charter)

New Jersey

6021

22-2953275
I.R.S. Employer

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(State or other jurisdiction of incorporation or organization) (Primary Standard Industrial Classification Code Number) Identification Number

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

(973) 697-2000

(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)

Thomas J. Shara

President and Chief Executive Officer

Lakeland Bancorp, Inc.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

(973) 697-2000

(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

Copies to:

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Lakeland Bancorp, Inc.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

(973) 697-2000

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Windels Marx Lane &

Mittendorf LLP

120 Albany Street Plaza

New Brunswick, New Jersey 08901

(732) 846-7600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement.

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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.

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 the 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 (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed	Proposed	Amount of registration fee
		maximum offering price per share(1,2)	maximum aggregate offering price(2)	
Common stock, without par value	6,180,094	N/A	\$59,145,547	\$8,068

- (1) Based on the maximum number of shares of the registrant's common stock that may be issued in connection with the proposed merger of Somerset Hills Bancorp with and into the registrant, assuming that no stock options granted by Somerset Hills Bancorp and outstanding on the date hereof are exercised prior to the closing, which number is calculated as the sum of (A)(i) the number of shares of Somerset Hills Bancorp common stock outstanding times (ii) the exchange ratio of 1.1962 shares of the registrant's common stock to be issued in the merger for each share of Somerset Hills Bancorp common stock times (iii) 90% (the merger agreement providing that 90% of the aggregate merger consideration will be paid in shares of the registrant's common stock) plus (B)(i) the number of shares of Somerset Hills Bancorp common stock subject to currently outstanding stock options times (ii) the exchange ratio of 1.1962. In accordance with Rule 416, this registration statement shall also register any additional shares of the registrant's common stock which may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions, as provided by the merger agreement.
- (2) Estimated solely for the purpose of calculating the registration fee for the filing on Form S-4 pursuant to Rules 457(f)(1) and 457(f)(3) under the Securities Act. The proposed maximum aggregate offering price was calculated by multiplying (A) the average of the high and low prices per share of the common stock of Somerset Hills Bancorp as reported on the Nasdaq Global Market on March 11, 2013, or \$11.50 per share (in accordance with Rule 457(c)) and (B) the maximum number of shares of Somerset Hills Bancorp common stock outstanding and subject to outstanding stock options as of such date. Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash payable by the registrant in the merger has been deducted from the proposed maximum aggregate offering price (computed by multiplying (a) the cash consideration of \$12.00 per share of Somerset Hills Bancorp common stock by (b) ten percent (10%) of the number of shares of Somerset Hills Bancorp common stock outstanding (the merger agreement providing that ten percent (10%) of the aggregate merger consideration will be paid in cash)).

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, as amended, or until the registration statement shall become effective on such date as the SEC, acting pursuant to such Section 8(a), may determine.

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The information in this joint proxy statement and prospectus is not complete and may be changed. A registration statement relating to the shares of Lakeland Bancorp, Inc. common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement and prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY-SUBJECT TO COMPLETION

DATED MARCH 15, 2013

[Somerset Hills LOGO]

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

The board of directors of Somerset Hills Bancorp has approved the merger of Somerset Hills with and into Lakeland Bancorp, Inc. In the merger, the shareholders of Somerset Hills will receive, at their election, for each outstanding share of Somerset Hills common stock that they own at the effective time of the merger, either 1.1962 shares of Lakeland common stock or \$12.00 in cash, subject to proration as described in the merger agreement, so that 90% of the aggregate merger consideration will be shares of Lakeland common stock and 10% will be cash.

Lakeland's common stock is quoted on the Nasdaq Global Select Market under the symbol LBAI. On _____, 2013, the closing sale price of Lakeland common stock on the Nasdaq Global Select Market was \$ _____ per share.

The merger cannot be completed unless Somerset Hills' shareholders approve it. You will be asked to vote on the merger at our annual meeting. **The Somerset Hills board of directors unanimously recommends that you vote to approve the merger.** Each member of your board has agreed to vote his or her shares in favor of the merger.

The date, time and place of the meeting are as follows:

Wednesday, April 24, 2013

[_____ a.m.]

Washington Ballroom at The Olde Mill Inn, 225 Rt. 202, Basking Ridge, New Jersey 07920

Only shareholders of record as of March 1, 2013 are entitled to attend and vote at the meeting.

Your vote is very important. Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the merger.

[Insert Signature]

[Insert Signature]

Stewart E. McClure, Jr.

Edward B. Deutsch

President,

Chairman of the Board

Somerset Hills Bancorp

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Chief Executive Officer
and Chief Operating Officer

Somerset Hills Bancorp

Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of Lakeland common stock to be issued in the merger are not savings accounts, deposits or other obligations of a bank or depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in Lakeland common stock involves risks that are described in RISK FACTORS beginning on page 24.

This joint proxy statement and prospectus is dated [], 2013, and is first being mailed to Somerset Hills shareholders on or about [], 2013.

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SOMERSET HILLS BANCORP

155 Morristown Road

Bernardsville, New Jersey 07924

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held April 24, 2013

To The Shareholders of Somerset Hills Bancorp:

The annual meeting of shareholders of Somerset Hills Bancorp will be held at the Washington Ballroom at The Olde Mill Inn, 225 Route 202, Basking Ridge, New Jersey 07920 at :00 A.M. on Wednesday, April 24, 2013 for the following purposes:

1. To approve an Agreement and Plan of Merger, dated as of January 28, 2013, by and between Somerset Hills Bancorp and Lakeland Bancorp, Inc., providing for:

the merger of Somerset Hills with and into Lakeland; and

the automatic conversion of all of the outstanding capital stock of Somerset Hills into either cash or shares of Lakeland common stock, pursuant to election and allocation procedures described in the merger agreement.

2. To approve, on an advisory basis, certain golden parachute compensation payable under existing agreements that certain Somerset Hills officers will receive from Somerset Hills and Somerset Hills Bank as a result of the merger.

3. To elect two directors to serve until the earlier of the closing of the merger or the expiration of their terms, as set forth in the attached joint proxy statement and prospectus.

4. To ratify the appointment of Crowe Horwath LLP as Somerset Hills independent registered public accounting firm for 2013.

5. To approve, on an advisory basis, the executive compensation of Somerset Hills named executive officers as described in this joint proxy statement and prospectus.

6. To vote, on an advisory basis, on how often Somerset Hills will conduct an advisory vote on executive compensation.

7. To transact such other business as shall properly come before the annual meeting, which may include a motion to adjourn the meeting to another time or place in order to solicit additional proxies in favor of the merger agreement and the merger.

Shareholders of record as of the close of business on March 1, 2013 are entitled to notice of and to vote at the meeting. Whether or not you contemplate attending the annual meeting, please execute the enclosed proxy and return it to us. You may revoke your proxy at any time prior to its exercise by delivering to us a later-dated proxy or by delivering a written notice of revocation to us prior to or at the annual meeting.

This meeting involves a matter of major importance to all shareholders. You are urged to read and carefully consider the attached joint proxy statement and prospectus, as well as the annexes.

The Somerset Hills Bancorp board of directors unanimously recommends that shareholders vote **FOR** approval of the merger.

By Order of the Board of Directors,

[insert signature]

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Jeanne Hagen, Corporate Secretary

[], 2013

YOUR VOTE IS IMPORTANT. PLEASE SIGN AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED.

Important notice regarding the availability of proxy materials for the annual meeting of shareholders to be held on April 24, 2013: This proxy statement, the form of proxy and our 2012 annual report are available at <http://www.cfpproxy.com/5074>.

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The information in this joint proxy statement and prospectus is not complete and may be changed. A registration statement relating to the shares of Lakeland Bancorp, Inc. common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement and prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY-SUBJECT TO COMPLETION

DATED MARCH 15, 2013

[Lakeland logo]

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

You are invited to attend the annual meeting of Lakeland Bancorp, Inc. shareholders on April 24, 2013. At the meeting, you will be asked to approve a proposal to authorize the issuance of the shares of Lakeland common stock issuable upon consummation of the proposed merger of Somerset Hills Bancorp with and into Lakeland. In the merger:

Lakeland shareholders will retain their shares of Lakeland common stock; and

the shareholders of Somerset Hills will receive, at their election, for each outstanding share of Somerset Hills common stock that they own at the effective time of the merger, either 1.1962 shares of Lakeland common stock or \$12.00 in cash, subject to proration as described in the merger agreement, so that 90% of the aggregate merger consideration will be shares of Lakeland Bancorp common stock and 10% will be cash.

In addition to voting to authorize the issuance of Lakeland common stock in the merger, at the meeting you also will be asked to elect directors, ratify the appointment of our auditors, approve, on an advisory basis, the executive compensation of our executive officers and approve an increase in our authorized shares of common stock from 40,000,000 to 70,000,000.

Your vote is very important. Whether or not you plan to attend the annual meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. The annual meeting will be held on April 24, 2013, at 10:00 a.m., at The Knoll Country Club West, 990 Greenbank Road, Boonton, New Jersey 07005.

The attached joint proxy statement and prospectus gives you detailed information about the proposed merger and the other matters to be voted upon at the annual meeting. We suggest that you pay special attention to the section entitled **RISK FACTORS** beginning on page 24.

We strongly support this strategic combination of Lakeland and Somerset Hills, and we join with the other members of our board of directors in recommending that you vote in favor of the issuance of the shares of Lakeland common stock in the merger.

[insert signature]

[insert signature]

Mary Ann Deacon
Chairman

Thomas J. Shara
President and CEO

Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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The shares of Lakeland common stock to be issued in the merger are not savings accounts, deposits or other obligations of a bank or depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement and prospectus is dated [], 2013, and is first being mailed to Lakeland shareholders on or about [], 2013.

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LAKELAND BANCORP, INC.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

Notice of Annual Meeting of Shareholders

To be Held April 24, 2013

To the Shareholders of Lakeland Bancorp, Inc.:

The annual meeting of shareholders of Lakeland Bancorp, Inc. will be held at The Knoll Country Club West, 990 Greenbank Road, Boonton, New Jersey 07005, on Wednesday, April 24, 2013, at []:00 a.m., for the following purposes:

1. To vote on a proposal to authorize the issuance of the shares of Lakeland common stock issuable upon consummation of the proposed merger of Somerset Hills Bancorp into Lakeland (including the shares of Lakeland common stock issuable upon exercise of stock options to be assumed by Lakeland pursuant to the merger agreement).
2. To elect three directors for three year terms.
3. To ratify the appointment of Grant Thornton LLP as Lakeland's independent registered public accounting firm for 2013.
4. To approve, on an advisory basis, the executive compensation of Lakeland's named executive officers as described in this joint proxy statement and prospectus.
5. To authorize an increase in the number of authorized shares of common stock of Lakeland to 70,000,000 shares, and the total number of authorized shares of capital stock to 71,000,000 shares.

6. To transact such other business as may properly come before the meeting and/or any adjournment or adjournments thereof. Only shareholders of record on March 22, 2013 are entitled to receive notice of, and to vote at, the annual meeting.

Information regarding the merger and other matters to be considered at the annual meeting is contained in the accompanying joint proxy statement and prospectus and its annexes.

Whether or not you plan to attend the annual meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed envelope. It is important that your interests be represented at the meeting.

By order of the board of directors,

[insert signature]

Timothy J. Matteson,

Executive Vice President,

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General Counsel and Corporate Secretary

Oak Ridge, New Jersey

[], 2013

Important notice regarding the availability of proxy materials for the annual meeting of shareholders to be held on April 24, 2013: This proxy statement, the form of proxy and our 2012 annual report are available at www.lakelandbank.com.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement and prospectus provides you with detailed information about the merger agreement and the merger and the other matters that will be considered at each of the annual meetings. The boards of directors of Somerset Hills Bancorp, which we sometimes refer to as Somerset Hills, and Lakeland Bancorp, Inc., which we sometimes refer to as Lakeland Bancorp or Lakeland, encourage you to read this entire document carefully.

This joint proxy statement and prospectus incorporates by reference important business and financial information about Lakeland Bancorp that is not included in or delivered with this document. You can obtain free copies of this information by writing or calling:

Harry Cooper

Vice President

Lakeland Bancorp, Inc.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

Telephone: 973-697-2000

Email: hcooper@lakelandbank.com

In order to obtain timely delivery of these documents, you should request the information by April 17, 2013. See **WHERE YOU CAN FIND MORE INFORMATION** at page 150 for additional information.

Neither Somerset Hills nor Lakeland has authorized anyone to provide you with any information other than the information included in this document and the documents to which you are referred in this document. If someone provides you with other information, please do not rely on it as being authorized by Somerset Hills or Lakeland.

This joint proxy statement and prospectus offers only the cash and shares of Lakeland common stock offered in the merger, and offers such shares only where it is legal to do so.

This joint proxy statement and prospectus has been prepared as of [], 2013. Changes that may have occurred in the affairs of Lakeland or Somerset Hills or their respective subsidiaries since that date are not reflected in this document.

The information contained in this document with respect to Lakeland was provided solely by Lakeland, and the information contained in this document with respect to Somerset Hills was provided solely by Somerset Hills.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE ANNUAL MEETINGS

Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?

A: This document serves as both a proxy statement of Somerset Hills and as a proxy statement and prospectus of Lakeland. As a joint proxy statement, it is being provided to:

Somerset Hills shareholders by the Somerset Hills board of directors in connection with that board's solicitation of proxies for the Somerset Hills annual meeting at which the Somerset Hills shareholders will be asked to:

approve the merger agreement and the merger between Somerset Hills and Lakeland;

approve, on an advisory basis, certain golden parachute compensation payable under existing agreements that certain Somerset Hills officers will receive from Somerset Hills and Somerset Hills Bank as a result of the merger;

elect two directors to serve until the earlier of the closing of the merger or the expiration of their terms;

ratify the appointment of Crowe Horwath LLP as Somerset Hills independent registered public accounting firm for 2013;

approve, on an advisory basis, the executive compensation of Somerset Hills named executive officers as described in this joint proxy statement and prospectus; and

vote, on an advisory basis, on how often Somerset Hills will conduct an advisory vote on executive compensation.

Lakeland shareholders by the Lakeland board of directors in connection with that board's solicitation of proxies for the Lakeland annual meeting at which the Lakeland shareholders will be asked to:

authorize the issuance of the shares of Lakeland common stock issuable pursuant to the merger agreement;

elect three directors for three year terms;

ratify the appointment of Grant Thornton LLP as Lakeland's independent registered public accounting firm for 2013;

approve, on an advisory basis, the executive compensation of Lakeland's named executive officers as described in this joint proxy statement and prospectus; and

approve an amendment to Lakeland's restated certificate of incorporation to increase the number of authorized shares of common stock from 40,000,000 shares to 70,000,000 shares and the total number of authorized shares of capital stock from

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41,000,000 shares to 71,000,000 shares.

As a prospectus, this document is being provided to Somerset Hills shareholders because Lakeland is offering to exchange shares of its common stock and cash for shares of Somerset Hills common stock upon completion of the merger.

Q: WHY ARE SOMERSET HILLS AND LAKELAND PROPOSING TO MERGE?

A: The boards of directors of Somerset Hills and Lakeland are proposing to merge Somerset Hills into Lakeland because they believe that combining the strengths of these two financial institutions is in the best interests of both companies, their respective shareholders and their respective customers. Please see THE MERGER - Somerset Hills Reasons for the Merger and THE MERGER - Recommendation of the Somerset Hills Board of Directors at pages 44 to 45 for the various factors considered by the Somerset Hills board of directors in recommending that Somerset Hills shareholders vote **FOR** the proposal to approve the merger agreement and the merger. Please see THE MERGER - Lakeland's Reasons for the Merger and THE MERGER - Recommendation of the Lakeland Board of Directors at pages 52 to 53 for the various

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factors considered by the Lakeland board of directors in recommending that Lakeland's shareholders vote **FOR** the proposal to authorize the issuance of the shares of Lakeland common stock issuable pursuant to the merger agreement.

Q: WHAT WILL A SOMERSET HILLS SHAREHOLDER RECEIVE IN THE MERGER?

A: Upon completion of the merger, the shareholders of Somerset Hills will receive, at their election, for each outstanding share of Somerset Hills common stock that they own at the effective time of the merger, either 1.1962 shares of Lakeland common stock or \$12.00 in cash, subject to proration as described in the merger agreement, so that 90% of the aggregate merger consideration will be shares of Lakeland common stock and 10% will be cash.

Holders of Somerset Hills' shares immediately prior to the effective time of the merger will be able to elect to receive cash, stock or to indicate that such holder has no preference as to the receipt of cash or Lakeland common stock. If the elections would result in other than 90% of the merger consideration to be paid by Lakeland equaling stock and 10% cash, then the Exchange Agent, described below, will designate, on a pro rata basis, from those holders electing to receive shares, those electing to receive cash, and those indicating no preference, those holders who will receive shares or cash, as applicable, so that 90% of the outstanding shares of Somerset Hills will receive Lakeland common stock and 10% of the outstanding shares of Somerset Hills will receive cash. See "The MERGER - Terms of the Merger - What Somerset Hills Shareholders Will Receive in the Merger," beginning at page 53.

Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO SOMERSET HILLS' SHAREHOLDERS?

A. The obligation of Lakeland and Somerset Hills to complete the merger is conditioned upon the receipt of a legal opinion from Lowenstein Sandler LLP, counsel to Lakeland, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Provided that the merger qualifies as a reorganization for United States federal income tax purposes, the specific tax consequences of the merger to a Somerset Hills shareholder will depend upon the form of consideration such Somerset Hills shareholder receives in the merger.

If you receive solely shares of Lakeland common stock and cash instead of a fractional share of Lakeland common stock in exchange for your Somerset Hills common stock, then you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of Lakeland common stock.

If you receive solely cash, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your adjusted tax basis in your Somerset Hills common stock. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Somerset Hills common stock.

If you receive a combination of Lakeland common stock and cash, other than cash instead of a fractional share of Lakeland common stock, in exchange for your Somerset Hills common stock, then you may recognize gain, but you will not recognize loss, upon the exchange of your shares of Somerset Hills common stock for shares of Lakeland common stock and cash. If the sum of the fair market value of the Lakeland common stock and the amount of cash you receive in exchange for your shares of Somerset Hills common stock exceeds the adjusted tax basis of your shares of Somerset Hills common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Somerset Hills common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income.

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For a more detailed discussion of the material United States federal income tax consequences of the transaction, see THE MERGER - Material United States Federal Income Tax Consequences beginning on page 67.

The consequences of the merger to any particular shareholder will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

Q: DO I HAVE RIGHTS TO DISSENT FROM THE MERGER?

A: No.

Q: ARE THERE ANY REGULATORY OR OTHER CONDITIONS TO THE MERGER OCCURRING?

A: Yes. The merger of Somerset Hills into Lakeland, and the merger of Somerset Hills Bank into Lakeland Bank, which the merger agreement provides will occur immediately following the holding company merger, must be approved by the Federal Deposit Insurance Corporation (the FDIC) and the New Jersey Department of Banking and Insurance, and a waiver must be obtained from the Board of Governors of the Federal Reserve System. As Somerset Hills Bank has a mortgage banking subsidiary, in addition to approval by the New Jersey Department of Banking and Insurance, approvals are required from the State of Pennsylvania, the U.S. Department of Housing and Urban Development, referred to as HUD, and the U.S. Veterans Administration. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on February 15, 2013, and approvals are pending.

In addition, the merger must be approved by the holders of at least a majority of the outstanding shares of Somerset Hills common stock. Lakeland shareholders must approve a proposal to authorize the issuance of the shares of Lakeland common stock issuable in the merger. Assuming that a quorum is present at the Lakeland shareholders' meeting, a majority of the votes cast must be voted in favor of the proposal in order to approve it.

Completion of the merger is also subject to certain other conditions. See THE MERGER - Conditions to the Merger, beginning at page 60.

Q: WHAT DO THE RESPECTIVE BOARDS OF DIRECTORS RECOMMEND?

A: The Somerset Hills board of d