

MIDDLEFIELD BANC CORP

Form S-3DPOS

February 02, 2005

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**Registration No. 333-96579**

**As Filed with the Securities and Exchange Commission on February 2, 2005**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM S-3D/POS**

**POST-EFFECTIVE AMENDMENT NO. 1 TO FORM S-3 REGISTRATION STATEMENT UNDER THE  
SECURITIES ACT OF 1933**

**MIDDLEFIELD BANC CORP.**

**(Exact name of Registrant as specified in its charter)**

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

34-1585111  
**(I.R.S. Employer Identification Number)**

15985 East High Street  
Middlefield, Ohio 44062-0035  
(440) 632-1666

**(Address, including zip code, and telephone number, including area code of Registrant's principal executive  
offices)**

James R. Heslop, II	With a copy to:
Executive Vice President/COO	Francis X. Grady, Esq.
Middlefield Banc Corp.	Grady & Associates
15985 East High Street	20950 Center Ridge Road, Suite 100
Middlefield, Ohio 44062-0035	Rocky River, Ohio 44116-4307
(440) 632-1666	(440) 356-7255

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

**Approximate date of commencement of proposed sale of securities to the public:**

As soon as practicable after Post-Effective Amendment No. 1 becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please 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(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

No additional securities are being registered. Registration fees were paid with the original filing of Registration Statement No. 333-96579 on July 17, 2002. No additional registration fees are required.

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EXPLANATORY NOTE

This Post-Effective Amendment No. 1 amends the Dividend Reinvestment Plan (the Plan ) of Middlefield Banc Corp. as follows:

1. Effective, April 12, 2004, the new administrator and agent of the Plan is American Stock Transfer & Trust Company, P.O. Box 922, Wall Street Station, New York, New York 10269-0560. Accordingly, all references in the Prospectus dated July 17, 2002, to the Plan s previous administrator, The Middlefield Banking Company, are hereby changed to American Stock Transfer & Trust Company (the Plan Administrator ).

2. Requests to withdraw shares of common stock credited to a participant s Plan account or to terminate participation in the Plan must be received by the Plan Administrator three days before a dividend payment date. If a participant s request to withdraw or terminate is received by the Plan Administrator fewer than three days before a dividend payment date, the withdrawal or termination will not be processed. Shares purchased with the dividends paid for such record date will be credited to the participant s account. However, all future dividends will be paid out in cash on all balances.

3. The Plan Administrator charges a \$15.00 transaction fee for terminating participation in the Plan, a \$15.00 transaction fee for withdrawing all shares from the Plan Account, and a \$7.50 transaction fee for depositing previously possessed certificates with the Plan Administrator. These fees are subject to change in the sole discretion of the Plan Administrator. Certificates for any number of whole shares credited to a participant s Plan account may be issued without charge upon the participant s written request.

4. Other minor and nonmaterial changes have also been made to the Plan.

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**PROSPECTUS**

**Middlefield Banc Corp.**

**DIVIDEND REINVESTMENT PLAN  
200,000 COMMON SHARES**

Middlefield Banc Corp. is offering to holders of its common stock the opportunity to invest cash dividends and optional cash payments in additional shares of Middlefield common stock under the Dividend Reinvestment Plan. Any holder of record of common stock is eligible to participate in the Plan. A participant in the Plan may purchase common stock by

reinvesting cash dividends on all shares of Middlefield common stock held by the participant

reinvesting a portion of the cash dividends on the certificated shares held by the participant, while continuing to receive cash dividends on the remainder

making optional cash payments of at least \$50 each, up to \$5,000 annually, regardless of whether the participant's dividends are being reinvested

Participants will not pay brokerage commissions or fees for purchases of common stock under the Plan. Middlefield Banc Corp. will bear the cost of administering the Plan.

Middlefield Banc Corp. common stock purchased under the Plan may be purchased from Middlefield, or on the open market, or otherwise from sources other than Middlefield. Because there is a very limited trading market for Middlefield Banc Corp. common stock, we expect that most or all of the shares purchased under the Plan will, at least initially, be purchased directly from Middlefield. For shares purchased from Middlefield directly, the purchase price per share will be the highest quoted bid price reported by three or more brokers if bid and asked prices are not available, or the average of the bid and asked prices if bid and asked prices are available. If bid and asked prices are not available and if bid prices are not quoted by three or more brokers, the price will be the last reported sale price. For shares purchased on the open market or from sources other than Middlefield, the purchase price will be the weighted average of the prices paid for the shares in all such purchases made on the applicable Investment Date (as defined in Question 10 of this prospectus).

Shares of Middlefield common stock are not listed on any stock exchanges, nor are they authorized for trading on Nasdaq. However, bid prices appear from time to time under the symbol **MBCN** on the **pink sheets** of the National Quotation Bureau, a static paper quotation service for over-the-counter securities that is printed weekly and distributed by the National Quotation Bureau, LLC to broker-dealers.

**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.**

No person is authorized to give any information or make any representations other than those contained or incorporated by reference in this prospectus in connection with the offer contained herein. If given or made, information or representations not contained or incorporated by reference in this prospectus must not be relied upon as having been authorized by Middlefield Banc Corp. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered hereby in any jurisdiction or to any person in which or to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of Middlefield Banc Corp. or the facts

herein set forth since the date hereof.

The date of this prospectus is February 2, 2005.

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**MIDDLEFIELD BANC CORP. AND THE MIDDLEFIELD BANKING COMPANY**

Incorporated in 1988 under the Ohio General Corporation Law, Middlefield Banc Corp. is a one-bank holding company registered under the Bank Holding Company Act of 1956. Its sole subsidiary is The Middlefield Banking Company, an Ohio-chartered commercial bank that began operations in 1901. The bank engages in a general commercial banking business in northeastern Ohio. Our principal executive offices are located at 15985 East High Street, P.O. Box 35, Middlefield, Ohio 44062-0035, and our telephone number is (440) 632-1666 or (888) 801-1666.

**WHERE YOU CAN FIND MORE INFORMATION**

Middlefield Banc Corp. is subject to the informational requirements of the Securities Exchange Act of 1934. In accordance with the Securities Exchange Act of 1934, Middlefield Banc Corp. files reports, proxy statements, and other information with the Securities and Exchange Commission. The reports, proxy statements, and other information, and the Form S-3D Registration Statement referred to below may be inspected and copied at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Information concerning the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet web site that contains reports, proxy statements, information statements, and other information regarding issuers that, like Middlefield Banc Corp., file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Middlefield Banc Corp. has filed with the SEC a Registration Statement on Form S-3D under the Securities Act of 1933 relating to the offer and sale of shares under the Dividend Reinvestment Plan. This prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. Reference is made to the Registration Statement, including Post-Effective Amendment No. 1, for further information.

**INCORPORATION OF DOCUMENTS BY REFERENCE**

The following documents filed with the SEC by Middlefield Banc Corp. are incorporated as of their respective dates in this prospectus by reference:

- (a) Middlefield Banc Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2003,
- (b) All other reports filed under Section 13(a) or Section 15(a) of the Securities Exchange Act of 1934 by Middlefield Banc Corp. since the end of the fiscal year covered by the Annual Report on Form 10-K referred to in (a) above,
- (c) The description of Middlefield Banc Corp. common stock contained in the Form 10 Registration Statement, filed with the SEC on April 17, 2001, and amended by Amendment No. 1 filed on June 14, 2001, and any amendment or report filed for the purpose of updating such description, and
- (d) All other reports filed pursuant to Section 13, Section 14, or Section 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this prospectus and prior to the termination of the offering of the common stock under the Plan.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or

superseded, to constitute a part of this prospectus.



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Upon oral or written request and at no charge, Middlefield Banc Corp. will provide to each person, including any beneficial owner, to whom this prospectus is delivered a copy of any or all of the documents described above under Incorporation of Documents by Reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to:

Middlefield Banc Corp.

15985 East High Street, P.O. Box 35  
Middlefield, Ohio 44062  
Attention: Mr. James R. Heslop, II  
(440) 632-1666

## **USE OF PROCEEDS**

Middlefield Banc Corp. has no basis for estimating precisely the number of shares of common stock that ultimately may be sold under the Plan, the extent to which shares will be purchased directly from Middlefield Banc Corp. rather than in the open market, or the prices at which shares will be sold. The net proceeds from any purchases of common stock directly from Middlefield under the Plan will provide funds that Middlefield expects would be used for general corporate purposes. Shares purchased in market transactions will provide no proceeds to Middlefield. Because there is very limited trading in Middlefield Banc Corp. common stock, Middlefield expects that, at least initially, all or almost all shares purchased under the Plan will be purchased directly from Middlefield rather than on the open market or otherwise.

## **DIVIDEND REINVESTMENT PLAN**

Middlefield Banc Corp.'s Dividend Reinvestment Plan identified in this prospectus as the Plan is set forth below in question and answer format.

### **Purpose**

1. *What is the Plan's purpose?*

The Plan is designed to promote long-term ownership by investors who are committed to building their Middlefield stock ownership over time. The Plan provides holders of record of common stock with a simple and convenient method to invest cash dividends and optional cash payments in additional shares of common stock without paying brokerage commissions or fees.

### **Advantages**

2. *What are the Plan's advantages?*

If you are an eligible shareholder of record and you wish to participate in the Plan, you may

automatically reinvest all cash dividends on your shares of Middlefield common stock, or

automatically reinvest cash dividends on a portion of your certificated shares of common stock, or

invest in additional shares of common stock by making optional cash payments of not less than \$50 per payment, up to an aggregate maximum of \$5,000 annually. You may enroll for optional cash contributions

even if you do not enroll for reinvestment of your dividends.

You will pay no commissions or fees for purchases under the Plan. You can avoid the need for safekeeping of certificates for common stock credited to your account. Periodic statements of account will provide simplified record keeping. Full investment of funds is possible under the Plan because fractions of common shares (computed to three decimal places) as well as whole common shares will be credited to your Plan account. Additionally,

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dividends will be paid both on whole shares and on fractional shares. Over time, reinvested dividends can have a compounding effect by earning dividends themselves.

## **Administration**

### *3. Who administers the Plan for participants?*

American Stock Transfer & Trust Company (the Plan Administrator) is Middlefield's registrar and transfer agent, and it currently acts as Plan Administrator, maintaining records, sending statements of account to participants, and performing other duties under the Plan. Middlefield reserves the right to select a different Plan Administrator in the future. All correspondence concerning the Plan should be addressed to American Stock Transfer & Trust Company, P.O. Box 922, Wall Street Station, New York, New York 10269-0560, or call 1-(888)-888-0143.

## **Participation**

### *4. Who is eligible to participate?*

If you are a holder of record of Middlefield common stock, you are eligible to participate in the Plan. If your shares are registered in a name other than your own (for example, in the name of a broker or bank nominee), you must become a shareholder of record by having shares transferred into your name if you wish to participate in the Plan. Middlefield reserves the right to refuse to register or qualify its common stock or the offer or sale of the common stock in any state or jurisdiction if, in Middlefield's sole judgment, the burden or costs of such registration or qualification are excessive. You will not be eligible to participate in the Plan if you reside in a state or jurisdiction in which it is unlawful for Middlefield to permit your participation. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered hereby in any jurisdiction or to any person in which or to whom it is unlawful to make such offer or solicitation.

### *5. How does an eligible shareholder participate?*

If you are a shareholder of record of shares of Middlefield common stock, you may join the Plan at any time by completing and signing an Authorization Card and returning it to the Plan Administrator. Authorization Cards may be obtained at any time by a written request to the Plan Administrator at the address noted in Question 3, by contacting the Plan Administrator at 1-(888)-888-0143, or by accessing the Plan Administrator's website at [www.amstock.com](http://www.amstock.com). If shares are registered in more than one name (for example as joint tenants, trustees, *etc.*), all registered holders must sign. Shareholders who do not wish to participate in the Plan do not need to take any action, and they will continue to receive dividends when and as declared.

If you return a properly executed Authorization Card to the Plan Administrator without electing an investment option, you will be deemed to have elected full reinvestment of all cash dividends paid on your Middlefield common stock.

If you are already enrolled in the Plan, you will continue to participate in the Plan without any further action on your part.

### *6. Is partial participation possible under the Plan?*

Yes. You may elect to have cash dividends on all of or part of your certificated shares reinvested. Instead of full reinvestment of all cash dividends, you may elect to have cash dividends on a portion of your shares of Middlefield common stock reinvested, receiving the remainder of your cash dividends in cash. Finally, you may enroll for optional cash payments for the purchase of additional shares of common stock under the Plan even if you do not elect to reinvest any cash dividends.



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### **The Authorization Card**

#### *7. What does the Authorization Card provide?*

The Authorization Card allows each shareholder to decide his or her participation level in the Plan: full reinvestment of all cash dividends, partial reinvestment of dividends on only a portion of his or her shares, or optional cash payments only. By checking the appropriate box on the Authorization Card, a shareholder may choose among the following options

If the shareholder elects Full Dividend Reinvestment, all cash dividends on all shares of Middlefield common stock registered in his or her name will be applied toward the purchase of additional shares of Middlefield common stock. A shareholder who elects Full Dividend Reinvestment is automatically entitled to make optional cash payments that will also be applied toward the purchase of additional shares under the Plan, or

If the shareholder elects Partial Dividend Reinvestment, meaning reinvestment of dividends on less than all of his or her certificated shares, all cash dividends on the specified portion of his or her shares of Middlefield common stock will be applied toward the purchase of additional shares. All cash dividends on the portion of his or her certificated shares of Middlefield common stock not specified for dividend reinvestment will continue to be paid to the shareholder in cash. A shareholder who elects Partial Dividend Reinvestment is automatically entitled to make optional cash payments that will also be applied toward the purchase of additional shares under the Plan, or

If the shareholder elects Optional Cash Payments Only, the shareholder's optional cash payments will be applied toward the purchase of additional shares of common stock under the Plan. A shareholder who elects Full Dividend Reinvestment or Partial Dividend Reinvestment is automatically entitled to make optional cash payments and should not elect Optional Cash Payments Only.

Regardless of whether the shares were purchased with reinvested dividends or with optional cash payments, cash dividends payable on all shares of common stock held in your Plan account will be automatically reinvested in additional shares of common stock, unless you change or revoke the instructions on the Authorization Card in writing, or unless you terminate your participation in the Plan.

#### *8. How may a participant change options under the Plan?*

You may change investment options under the Plan at any time by completing a new Authorization Card and returning it to the Plan Administrator. New Authorization Cards can be obtained upon request from the Plan Administrator at the address noted in Question 3.

### **Joining the Plan**

#### *9. When may an eligible shareholder join the Plan?*

You may join the Plan at any time. If the Plan Administrator receives your Authorization Card at the address specified in Question 3 on or before the record date for a dividend payment, reinvestment of dividends on the number of shares participating under the Plan will begin with that dividend payment date. If the Plan Administrator receives your Authorization Card after the record date for a dividend payment, reinvestment of dividends will begin with the dividend payment date after the next record date. All optional cash payments will be invested in the manner described in Questions 10 and 13 after the Plan Administrator receives your Authorization Card and the optional cash payment.

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Dividend record dates for Middlefield common stock and the related payment dates are generally on or about the following dates

<u>Approximate Record Date</u>	<u>Approximate Payment Date</u>
March 4	March 15
June 4	June 15
September 4	September 15
December 4	December 15

The Plan does not represent a change in Middlefield's dividend policy, nor does it represent a guarantee of future dividends. Future dividends will continue to be determined by the board of directors based upon Middlefield's earnings, financial condition, and other factors.

**Investment Date**10. *What is the Investment Date?*

For dividends reinvested under the Plan, Investment Date means the date on which dividends are paid. For optional cash payments, Investment Date means the next dividend payment date after the optional cash payment is received.

**Purchases of Common Stock Under the Plan**11. *What is the source of Middlefield common stock purchased under the Plan?*

In Middlefield's discretion, Middlefield common stock purchased under the Plan with reinvested dividends or optional cash payments may be purchased directly from Middlefield, or on the open market, or otherwise from sources other than Middlefield. The Plan Administrator will use dividends and optional cash payments to acquire shares from Middlefield if available for the account of participants. If Middlefield is not then making shares available for purchase under the Plan, then the shares of Middlefield common stock may be purchased in the open market or in negotiated transactions. In its sole discretion, Middlefield reserves the right to cease making shares available for purchases under the Plan and to resume making shares available at any time.

There is no established market for Middlefield common stock. The stock is traded very infrequently. Shares of Middlefield common stock are not listed on any stock exchanges, nor are they authorized for trading on Nasdaq. However, bid prices appear from time to time on the National Quotation Bureau's pink sheets under the symbol MBCN. The pink sheets is a static paper quotation service for over-the-counter securities that is printed weekly and distributed by the National Quotation Bureau, LLC to broker-dealers. Thinly traded, illiquid stocks are more susceptible to significant and sudden price changes than stocks that are widely followed by the investment community and actively traded on an exchange or Nasdaq. Because the market for Middlefield common stock is illiquid, Middlefield expects that, at least initially, all or almost all shares purchased under the Plan will be purchased directly from Middlefield, rather than on the open market or otherwise.

Middlefield currently does not intend to seek listing of the common stock on a securities exchange and does not intend to seek authorization for trading of the shares on Nasdaq. Even if Middlefield does successfully list the common stock on a securities exchange or obtain Nasdaq trading authorization, we nevertheless could not assure you that an organized public market for Middlefield common stock will develop.

12. *What will be the price of common stock purchased under the Plan?*

For shares purchased directly from Middlefield, the purchase price per share will be the highest quoted bid price reported by three or more brokers if bid and asked prices are not available, or the average of the bid and asked prices if bid and asked prices are available. If bid and asked prices are not available and if bid prices are not quoted

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by three or more brokers, the price will be the last reported sale price. For shares purchased on the open market or from sources other than Middlefield, the purchase price will be the weighted average of the prices paid for the common stock shares in all such purchases.

13. *When will purchases be made?*

Purchases of stock directly from Middlefield will be made on the applicable Investment Date or as soon thereafter as is practicable. Purchases of common stock from sources other than Middlefield will begin as of the applicable Investment Date, continuing over the period determined appropriate under the circumstances by the Plan Administrator, but concluding in all events within 30 days after the applicable Investment Date. Securities and Exchange Commission rules could require Middlefield to change these anticipated investment dates or to temporarily suspend or defer purchase of shares.

14. *Will interest be paid on funds pending investment or reinvestment?*

No. Interest will not be paid on dividends or optional cash payments held pending investment.

15. *How many shares of common stock will be purchased for a participant?*

The number of shares of common stock to be purchased depends on the amount of your reinvested dividend, the amount of your optional cash payments, and the purchase price of the common stock at the time. Your Plan account will be credited with that number of shares of common stock including fractions computed to three decimal places equal to your total amount to be invested divided by the purchase price per common share.

16. *What will Middlefield do with the proceeds raised through the Plan with reinvested dividends and optional cash payments?*

If the additional shares of common stock are purchased directly from Middlefield, Middlefield will use the additional funds for general corporate purposes. See *Use of Proceeds* above.

**Optional Cash Payments**

17. *How does the optional cash payment feature of the Plan work?*

All eligible holders of record of shares of Middlefield common stock (except for brokers and nominees) who submit an Authorization Card are eligible to make optional cash payments at any time. Like cash dividends, optional cash payments submitted by a Plan participant will be invested in additional shares of Middlefield common stock beginning on the applicable Investment Date. Cash dividends payable on all shares of common stock credited to your Plan account, whether the shares were purchased with reinvested dividends or optional cash payments, will be automatically reinvested in additional shares of common stock.

18. *How may optional cash payments be made?*

Along with your Authorization Card, you may make an optional cash payment when you enroll in the Plan by enclosing a check or money order payable to the Plan Administrator identified in Question 3. Thereafter, you may make optional cash payments monthly, quarterly, or at any other interval through the use of the form that will be attached to your statement of account or via the internet at [www.amstock.com](http://www.amstock.com). Although optional cash payments may be made at any time, they will be invested quarterly. Each optional cash payment must be at least \$50, and all of your optional cash payments cannot exceed \$5,000 in any one calendar year.



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### **Expenses**

#### *19. What are the expenses to participants in the Plan?*

All costs of administration of the Plan will be paid by Middlefield. You will not pay brokerage fees or commissions for your *purchase* of common stock under the Plan. However, you will be charged with expenses if you withdraw all shares held under the Plan or if you terminate participation in the Plan. Certain expenses may be incurred if you receive a cash payment for a fraction of a common share credited to your Plan account when you withdraw common stock credited to your Plan account or when you terminate your participation in the Plan. Please see Question 29 for more information.

### **Federal Tax Consequences**

#### *20. What are the Federal income tax consequences of participation in the Plan?*

In general, a shareholder who participates in the Plan will have the same Federal income tax consequences for cash dividends payable on common stock in a Plan account as if he or she were not a participant in the Plan. In the case of a cash dividend, you will be treated for Federal income tax purposes as having received on the dividend payment date a dividend equal to the full amount of the dividend payable on all of your stock, including shares registered in your name and shares credited to your Plan account. This is true even if you do not actually receive the cash dividends, but rather have them applied to the purchase of additional shares of common stock under the Plan. Commissions and brokerage fees paid by Middlefield for purchases on the open market or from sources other than Middlefield will be taxable income to you in an amount equal to your *pro rata* share of the commissions and fees. Your *pro rata* share of commissions and fees will be reported as ordinary dividend income for the calendar year.

The tax basis of shares of common stock purchased from Middlefield with cash dividends or optional cash payments will be the amount of the cash dividends or optional cash payments. For shares purchased from sources other than Middlefield, your tax basis will be the purchase price of the shares plus your *pro rata* share of commissions or brokerage fees paid by Middlefield. The holding period for shares purchased with reinvested dividends or optional cash payments will begin on the date after the date on which the shares are purchased and credited to your Plan account, regardless of the source of purchase.

You will not realize any Federal taxable income when you receive certificates for whole shares of common stock credited to your Plan account, either when you withdraw some or all of the shares credited to your Plan account or when you terminate your participation in the Plan. However, if you receive a cash payment for a fractional share of common stock credited to your Plan account when you withdraw shares from the Plan or when you terminate your participation in the Plan, you will realize a gain or loss for the fractional share of common stock. A gain or loss will also be realized by a participant when whole shares of common stock are sold by the participant after withdrawal of the shares from the Plan account or after termination of the participant's participation in the Plan. The amount of the gain or loss will be the difference between the amount the participant receives for full or fractional shares of common stock and the tax basis of the shares. The gain or loss will be a capital gain or loss if the shares constitute capital assets in the hands of the participant.

*Participants should consult their own tax advisors to determine the particular federal, state, local, and foreign tax consequences that may result from their participation in the Plan and the subsequent sale or other disposition of common stock under the Plan. Participants' tax consequences may vary from jurisdiction to jurisdiction.*

### **Reports to Participants**

#### *21. What kind of reports will be sent to participants?*

You will receive a statement of account as promptly as practicable after each purchase of common stock for your Plan account. The statements are a record of the date and cost of purchase. You should retain your account

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statements for income tax purposes. You will also receive reports, proxy statements, and other communications sent to holders of Middlefield common stock generally. Lastly, you will receive annually Internal Revenue Service information on Form 1099 for reporting dividend income received following the final purchase in each calendar year.

### **Dividends on Fractions of Shares**

22. *Will participants be credited with dividends on fractions of shares?*

Yes. Dividends on fractional and whole shares will be reinvested.

### **Certificates for Shares**

23. *Will certificates be issued for shares of common stock purchased?*

No. Shares of common stock credited to your Plan account will be held in the name of the Plan Administrator or its nominee. The number of shares credited to your account under the Plan will be shown on your statement of account. This service protects against loss, theft, or destruction of certificates. However, certificates for any number of whole shares credited to a participant's account under the Plan can be issued without charge upon the participant's written request.

Shares of common stock credited to your account under the Plan may not be pledged or assigned, and any attempted pledge or assignment is void. If you wish to pledge or assign any shares credited to your Plan account, you must first withdraw the shares from the Plan account.

Certificates for fractions of shares will not be issued under any circumstances.

24. *In whose name will certificates be registered when issued to participants?*

Each account under the Plan will be maintained in the name as shown on the Authorization Card. Certificates for whole shares of common stock will be similarly registered when issued.

25. *May a participant add shares to his or her account by transferring stock certificates that the participant possesses?*

Yes. For safekeeping, you may deposit certificates representing shares with the Plan Administrator, but it is not necessary to do so in order to reinvest dividends payable with respect to shares of common stock represented by the certificates. Certificates must be presented in transferable form and must be accompanied by a written request that the certificates be held for your account. The Plan Administrator charges a fee for this service, which will be payable by the participant. The fee is \$7.50 as of the date of this prospectus, and is subject to change in the sole discretion of the Plan Administrator.

### **Withdrawal of Common Stock in Plan Account**

26. *How may common stock be withdrawn from the Plan account?*

Certificates representing shares credited to your Plan account may be withdrawn by notifying the Plan Administrator in writing specifying the number of shares to be withdrawn (the fee will be subject to adjustment from time to time). Certificates for whole shares of common stock withdrawn will be issued to and registered in your name. Cash will be paid in lieu of fractional shares. The Plan Administrator will charge participants a fee in the event a participant withdraws all shares from the participant's Plan Account. The fee is \$15.00 as of the date of this prospectus, and is subject to change in the sole discretion of the Plan Administrator.



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*27. Will dividends on common stock withdrawn from the Plan account continue to be reinvested?*

If you elected Full Dividend Reinvestment, cash dividends paid on shares withdrawn from your Plan account will continue to be reinvested. However, if cash dividends on only a portion of the certificated shares registered in your name are being reinvested, the Plan Administrator will continue to reinvest dividends solely on the shares you specified on the Authorization Card (together with any other shares acquired under the Plan and not withdrawn), unless you deliver a new Authorization Card specifying a different number of shares.

*28. May a participant request that shares held in his or her account be sold upon termination of participation?*

No. If you terminate your participation in the Plan, you must make your own arrangements to sell your shares after you receive a certificate for the number of whole shares in your account.

## **Termination**

*29. How does a participant terminate participation under the Plan?*

To terminate your participation in the Plan, you must notify the Plan Administrator in writing that you wish to terminate. You may also terminate your participation in the Plan via the Plan Administrator's website at [www.amstock.com](http://www.amstock.com). Notice of termination must be accompanied by a termination fee (\$15.00 as of the date of this prospectus) payable to the Plan Administrator, which fee is subject to adjustment from time to time. Your termination notice should be addressed to the Plan Administrator at the address given in Question 3. Your termination notice will be effective only when received by the Plan Administrator. If you voluntarily terminate your participation in the Plan, a certificate for whole shares of common stock credited to your Plan account will be issued to you, and a cash payment will be made to you for any fractional share of common stock held in your Plan account, minus the \$15.00 transaction fee.

*30. When may a participant withdraw common stock from his or her Plan account?*

You may withdraw shares of common stock credited to your Plan account or terminate your participation in the Plan at any time. If your request to withdraw or terminate is received by the Plan Administrator three days or more before a dividend payment date and cash dividends will be paid on that dividend payment date, the withdrawal or termination will be processed as soon as practical after receipt of the request. If your request to withdraw or terminate is received by the Plan Administrator fewer than three days before a dividend payment date, the withdrawal or termination will not be processed. Shares purchased with the dividends paid for such record date will be credited to your account. However, all future dividends will be paid out in cash on all balances. Any optional cash payment received before the request for withdrawal or termination will be reinvested, unless (1) you request return of the optional cash payment at the time you request withdrawal or termination, and (2) your request is received at least two business days before the next Investment Date. All subsequent dividends will be paid to you in cash unless you re-enroll in the Plan. Middlefield reserves the right, in its sole discretion, to terminate the Plan or any participant's account at any time.

*31. May a participant re-enroll in the Plan after having previously withdrawn from the Plan?*

Yes. Generally, you may elect to re-enroll in the Plan at any time simply by following the same procedures described in the answer to Question 5. However, Middlefield reserves the right to reject any Authorization Card from a previous participant on grounds of excessive enrollment and termination of participation in the Plan. Middlefield desires to minimize unnecessary administrative expense and to encourage use of the Plan as a long-term shareholder investment service.

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**Other Information**

*32. What happens when a participant sells or transfers shares registered in his or her name?*

If you sell or transfer all shares of Middlefield common stock registered in your name, that will be deemed to constitute termination of your participation in the Plan. A certificate for whole shares may be issued to you, and cash will be paid in lieu of any fractional shares held in your Plan account, less any service fees. It will be your responsibility to deliver the certificate to the new owner. Once the new owner becomes a shareholder of record, the new owner may enroll in the Plan. If you sell a portion of your shares, Middlefield will continue to reinvest cash dividends solely on the portion of the shares of common stock credited to your Plan account and not sold.

*33. What happens if Middlefield issues a stock dividend or declares a stock split?*

Any dividend payable in shares of common stock and any split shares distributed by Middlefield on common stock credited to your Plan account will be added to your account. Any dividend payable in shares of common stock and any split shares distributed by Middlefield on common stock not held in your Plan account will be transmitted directly to you in the same manner as to shareholders not participating in the Plan. Transaction processing may either be curtailed or suspended until the completion of any stock dividend, stock split, or corporate action.

*34. How will common stock credited to a participant's Plan account be voted at shareholders' meetings?*

For each meeting of shareholders, a participant will receive proxy material enabling the participant to vote shares registered in his or her name directly and shares credited to his or her Plan account. If you choose to do so, you may vote your shares of common stock in person at shareholders' meetings.

*35. What are Middlefield's responsibilities under the Plan?*

Middlefield and the Plan Administrator shall have no responsibility beyond the exercise of ordinary care for any action taken or omitted under the Plan, nor shall they have any duties, responsibilities, or liabilities except as expressly set forth in the Plan. Middlefield and the Plan Administrator will not be liable under the Plan for any act done in good faith or for any good faith omission to act with regard to purchases and sales, including without limitation any claim of liability (1) arising out of failure to terminate a participant's Plan account upon the participant's death or incompetence before Middlefield or the Plan Administrator receives written notice of the participant's death or incompetence, (2) with respect to the prices at which shares are purchased for a participant's account, (3) with respect to the times when such purchases or sales are made, or (4) with respect to any fluctuation in market value of Middlefield's common stock.

The participant should recognize that Middlefield and the Plan Administrator cannot assure the participant a profit or protect the participant against a loss on the shares of common stock purchased under the Plan.

*36. May the Plan be changed or discontinued?*

Yes. Middlefield may amend, suspend, modify, or terminate the Plan at any time, including the period between a dividend record date and a dividend payment date. Notice of any such amendment, suspension, modification, or termination will be sent to all participants. Any such amendment shall conclusively be deemed to be accepted by a participant unless before the effective date of any such amendment as set forth in the notice Middlefield receives written notice of termination of the participant's account. If the Plan terminates, any uninvested optional cash payments will be returned, certificates for whole common shares credited to a participant's account under the Plan will be issued, and a cash payment will be made for any fraction of a share of common stock credited to a participant's account.

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37. *Where will notices to a participant be sent?*

All notices to a participant will be addressed to the participant at the last address of record with the Plan Administrator. If your address changes, please notify the Plan Administrator in writing at the address set forth in Question 3.

38. *What is sufficient notice to a participant?*

Any notice or certificate required to be given to you under the Plan must be in writing and will be deemed to have been sufficiently given for all purposes once deposited, postage prepaid, in a post office letter box addressed to you at your address as it shall last appear on the Plan Administrator's records.

39. *What law governs the Plan?*

The terms and conditions of the Plan and Plan operations are governed by and construed in accordance with the laws of the State of Ohio and the rules and regulations of the SEC, as they may be amended from time to time.

40. *Who interprets the Plan?*

Middlefield reserves the sole right to interpret the Plan as may be necessary or desirable.

41. *What if the Plan Administrator cannot make market purchases?*

If Middlefield decides not to make shares available for purchase under the Plan, and if applicable law or the closing of securities markets requires the temporary curtailment or suspension of market purchases of common stock under the Plan, neither Middlefield nor the Plan Administrator will be accountable for its inability to make purchases at such times. If common stock is not available for purchase for a period exceeding 90 days, the Plan Administrator will promptly mail to the participant a check payable to the order of the participant in the amount of any funds not applied in the participant's account, without interest.

**INDEMNIFICATION**

Middlefield's regulations authorize indemnification of officers and directors, including indemnification for liabilities arising under the Securities Act of 1933. The indemnification rights set forth in the regulations and the Ohio General Corporation Law are not exclusive of any other indemnification rights to which a director or officer may be entitled under an indemnification agreement or board resolution. Under the terms of Middlefield's directors' and officers' liability insurance policy, Middlefield's directors and officers are insured against certain liabilities, including liabilities arising under the Securities Act of 1933. Lastly, Middlefield has entered into indemnification agreements with its directors and executive officers.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and persons controlling Middlefield, Middlefield has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

**LEGAL OPINION**

The validity of the common stock offered hereby has been passed upon for Middlefield by Grady & Associates, 20950 Center Ridge Road, Suite 100, Rocky River, Ohio 44116-4307.

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**EXPERTS**

The consolidated financial statements of Middlefield Banc Corp. appearing or incorporated by reference in the Annual Report of Middlefield Banc Corp. on Form 10-K have been audited by S.R. Snodgrass, A.C., independent certified public accountants, as set forth in their report thereon included therein, and are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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**Middlefield Banc Corp.**

**Dividend Reinvestment Plan**

**Prospectus**

February 2, 2005





**Table of Contents****PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 16. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>	<b>Location</b>
4	Specimen Stock Certificate	Incorporated by reference to the identically numbered exhibit to the registration statement on Form 10 (File No. 033-23094) filed on April 17, 2001
5	Opinion regarding legality	previously filed
23.1	Consent of Counsel	previously filed
23.2	Consent of S.R. Snodgrass, A.C., independent auditor of Middlefield Banc Corp.	filed herewith
99.1	Letter to Shareholders	filed herewith
99.2	Dividend Reinvestment Plan	contained as part of the prospectus
99.3	Authorization Card	filed herewith

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused Post-Effective Amendment No. 1 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the Village of Middlefield, State of Ohio, on February 2, 2005.

**Middlefield Banc Corp.**  
(Registrant)

By: /s/ Thomas G. Caldwell  
Thomas G. Caldwell  
President & Chief Executive Officer

**Power of Attorney**

Pursuant to the requirements of the Securities Act of 1933, Post-Effective Amendment No. 1 to this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. By signing below, each of the undersigned directors and officers of Middlefield Banc Corp. hereby authorizes and appoints Thomas G. Caldwell, President and Chief Executive Officer, James R. Heslop, II, Executive Vice President and Chief Operating Officer, and Donald L. Stacy, Treasurer and Chief Financial Officer, and each of them, as his or her agent and attorney-in-fact, each with full power to act without the other, for the purpose of making any changes or amendments necessary or desirable to this Registration Statement and to any documents ancillary thereto, with the same powers and to the same effect as we may do if personally present, hereby ratifying and approving the acts of said attorneys and each of them:

/s/ Thomas G. Caldwell February 2, 2005

Thomas G. Caldwell  
President, Chief Executive Officer, and Director

/s/ Donald L. Stacy February 2, 2005

Donald L. Stacy, Treasurer and Chief Financial  
Officer  
(Principal accounting and financial officer)

/s/ Richard T. Coyne February 2, 2005

Richard T. Coyne, Director

/s/ Frances H. Frank February 2, 2005

Frances H. Frank, Director

/s/ Thomas C. Halstead February 2, 2005

Thomas C. Halstead, Director

/s/ George F. Hasman

February 2, 2005

George F. Hasman, Director

/s/ James R. Heslop, II

February 2, 2005

James R. Heslop, II, Executive Vice President,  
Chief Operating Officer, and Director

/s/ Donald D. Hunter

February 2, 2005

Donald D. Hunter, Chairman of the Board  
and Director

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/s/ Martin S. Paul	February 2, 2005
Martin S. Paul, Director	
/s/ Donald E. Villers	February 2, 2005
Donald E. Villers, Director	
s/ James J. McCaskey	February 2, 2005
James J. McCaskey, Director	
s/ Carolyn J. Turk	February 2, 2005
Carolyn J. Turk, Director	

**EXHIBIT INDEX**

The following exhibits are filed as part of Post-Effective Amendment No. 1 to this Registration Statement on Form S-3D:

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