

CITIZENS HOLDING CO /MS/  
Form PRE 14A  
March 14, 2017  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

**CITIZENS HOLDING COMPANY**

**(Name of Registrant as Specified in its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
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- (5) Total fee paid:

Fee paid previously with preliminary materials.

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- (1) Amount previously paid:
  
  
  
  
  
  
  
  
  
  
- (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Citizens Holding Company**  
**521 Main Street**  
**Philadelphia, Mississippi 39350**

March , 2017

Dear Shareholders:

On behalf of our Board of Directors, we cordially invite you to attend the 2017 Annual Meeting of Shareholders of Citizens Holding Company (the Annual Meeting ). The Annual Meeting will be held beginning at 4:30 p.m., Central time, on Tuesday, April 25, 2017, at the main office of The Citizens Bank of Philadelphia, 521 Main Street, Philadelphia, Mississippi 39350. The formal Notice of the Annual Meeting appears on the next page.

The Annual Meeting has been called for the following purposes: (1) to set the number of directors to serve on the Board of Directors at ten; (2) to elect the four Class III directors named herein, each for a three-year term; (3) to approve, on an advisory (non-binding) basis, our executive officer compensation; (4) to amend and restate our Articles of Incorporation and Bylaws to (i) authorize five million shares of preferred stock, with rights and preferences as may be determined from time to time by the Board of Directors, (ii) delete the special shareholder voting requirement for approval of certain takeover transactions, (iii) authorize the Board of Directors to establish the size of the Board within the range specified by the Articles of Incorporation, (iv) authorize the Board of Directors to fill any vacancies occurring in the Board, (v) delete the affirmative election regarding the Mississippi Control Share Act, (vi) add an exclusive forum provision, (vii) delete cumulative voting and provide for election of directors by majority voting, and (viii) provide for non-substantive revisions consistent with current corporate laws; (5) to ratify our Board of Directors appointment of our independent public accountants for the fiscal year ending December 31, 2017; and (6) to transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

The accompanying proxy statement provides detailed information concerning the matters to be voted on at the Annual Meeting. We are first distributing the accompanying proxy statement and proxy card to our shareholders on or about March , 2017. We urge you to review the proxy statement and each of the proposals carefully. Regardless of the number of shares of our common stock you own, it is important that your views be represented regardless of whether you are able to be present at the Annual Meeting. Please take a moment now to sign, date and mail the enclosed proxy card in the postage prepaid envelope. Our Board of Directors recommends a vote FOR each proposal.

We are grateful for our shareholders continued interest in Citizens Holding Company and are pleased that in the past so many of you have voted your shares either in person or by proxy. We hope you will continue to do so and again urge you to return your proxy card as soon as possible.

Sincerely,

/s/ Greg L. McKee  
Greg L. McKee  
President and Chief Executive Officer

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**Citizens Holding Company**

**521 Main Street**

**Philadelphia, Mississippi 39350**

**NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS**

**TIME:** 4:30 p.m., Central time, on Tuesday, April 25, 2017

**PLACE:** The Citizens Bank of Philadelphia

521 Main Street

Philadelphia, Mississippi 39350

- ITEMS OF BUSINESS:**
- (1) To set the number of directors to serve on our Board of Directors at ten;
  - (2) To elect the four Class III directors named herein, each for a three-year term;
  - (3) To approve, on an advisory (non-binding) basis, our executive officer compensation;
  - (4) To amend and restate our Articles of Incorporation and Bylaws to (i) authorize five million shares of preferred stock, with rights and preferences as may be determined from time to time by the Board of Directors, (ii) delete the special shareholder voting requirement for approval of certain takeover transactions, (iii) authorize the Board of Directors to establish the size of the Board within the range specified by the Articles of Incorporation, (iv) authorize the Board of Directors to fill any vacancies occurring in the Board, (v) delete the affirmative election regarding the Mississippi Control Share Act, (vi) add an exclusive forum provision, (vii) delete cumulative voting and provide for election of directors by majority voting, and (viii) provide for non-substantive revisions consistent with current corporate laws;
  - (5) To ratify our Board of Directors' appointment of our independent registered public accounting firm for the fiscal year ending December 31, 2017; and

(6) To transact any other business that may properly come before the Annual Meeting or any adjournments thereof.

RECORD DATE: You can vote if you are a shareholder of record as of the close of business on March 10, 2017.

ANNUAL REPORT: Our 2016 Annual Report, which is not a part of the proxy solicitation material, is enclosed.

PROXY VOTING: It is important that your shares of common stock be represented and voted at the Annual Meeting. Please mark, sign, date and promptly return the enclosed proxy card in the postage paid envelope. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting.

INTERNET AVAILABILITY: **Important notice regarding the availability of proxy materials for the Annual Meeting of Shareholders to be held on April 25, 2017.** The proxy statement, proxy card and annual report are available at [www.citizensholdingcompany.com/proxymaterials](http://www.citizensholdingcompany.com/proxymaterials).

By Order of the Board of Directors

/s/ Mark D. Taylor

Mark D. Taylor  
Secretary

Philadelphia, Mississippi

March , 2017

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**CITIZENS HOLDING COMPANY**

**PROXY STATEMENT**

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**CITIZENS HOLDING COMPANY**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD TUESDAY, APRIL 25, 2017**

This proxy statement is furnished to the shareholders of Citizens Holding Company in connection with the solicitation of proxies by our Board of Directors for the 2017 Annual Meeting of Shareholders to be held at 4:30 p.m., Central time, on Tuesday, April 25, 2017, at our main office, 521 Main Street, Philadelphia, Mississippi 39350, and any adjournments or postponements thereof (the Annual Meeting ). In this proxy statement, Citizens Holding Company is referred to as Citizens, we, our, us, or the Company, and The Citizens Bank of Philadelphia is referred to as the We are first distributing this proxy statement and accompanying proxy card to our shareholders on or about March , 2017.

**VOTING YOUR SHARES**

*Why am I receiving these materials?*

You are receiving a proxy statement because you owned shares of our common stock on March 10, 2017 and that entitles you to vote at the Annual Meeting. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so you can make an informed decision.

*Who is soliciting proxies from the shareholders?*

Our Board of Directors is soliciting the enclosed proxy. The proxy provides you with the opportunity to vote on the proposals presented at the Annual Meeting.

*What will be voted on at the Annual Meeting?*

The enclosed proxy provides the opportunity for you to vote on the following proposals:

1. to set the number of directors on our Board of Directors at ten;
2. to elect the four Class III directors named herein, each for a three-year term;

3. to approve, on an advisory (non-binding) basis, our executive officer compensation;
  
4. to amend and restate our Articles of Incorporation and Bylaws to (i) authorize five million shares of preferred stock, with rights and preferences as may be determined from time to time by the Board of Directors, (ii) delete the special shareholder voting requirement for approval of certain takeover transactions, (iii) authorize the Board of Directors to establish the size of

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the Board within the range specified by the Articles of Incorporation, (iv) authorize the Board of Directors to fill any vacancies occurring in the Board, (v) delete the affirmative election regarding the Mississippi Control Share Act, (vi) add an exclusive forum provision, (vii) delete cumulative voting and provide for election of directors by majority voting, and (viii) provide for non-substantive revisions consistent with current corporate laws;

5. to ratify our Board of Directors appointment of our independent registered public accounting firm for the fiscal year ending December 31, 2017.

For the proposal to elect directors, you may vote **FOR** all of the nominees in Class III, **FOR** one or more nominees in Class III but not the others, or you may **WITHHOLD** your vote for all nominees in Class III. For proposals 1, 3, 4(i)-(viii), and 5, you may vote **FOR** the approval of the proposal or **AGAINST** its approval, or you may **ABSTAIN** from voting on the proposal. The enclosed proxy card also gives the proxy holders discretionary authority to vote the shares represented by the proxy on any matter, other than the above proposals, that is properly presented for action at the Annual Meeting. Each proposal is a separate matter for the shareholders to vote on, including each separate proposal item described with respect to amending and restating our Articles of Incorporation and Bylaws. No one proposal's approval is subject to or conditioned upon the approval of any other proposal.

*Who bears the cost of the proxy solicitation?*

We generally bear all costs of soliciting proxies. We have retained and pay a fee to American Stock Transfer and Trust Company to act as our registrar and transfer agent and to assist in the solicitation of proxies, but we pay no separate compensation solely for the solicitation of proxies. We intend to solicit proxies primarily through the use of the mail. Our directors, officers and employees may solicit proxies by telephone, mail, facsimile, via the Internet or overnight delivery service. These individuals will not receive separate compensation for these services. We will also, in accordance with the regulations of the Securities and Exchange Commission (the SEC), reimburse brokerage firms and other persons representing beneficial owners of our common stock for their reasonable expenses in forwarding solicitation material to such beneficial owners.

*Who can vote at the Annual Meeting, and how are votes cast?*

Our Board of Directors fixed the close of business on Friday, March 10, 2017, as the record date for our Annual Meeting. Only shareholders of record on that date are entitled to receive notice of and to vote at the Annual Meeting. As of March 10, 2017, our only outstanding class of securities was common stock, \$0.20 par value per share. On that date, we had 22,500,000 shares of common stock authorized of which 4,887,079 shares of common stock were outstanding.

You can vote either in person at the Annual Meeting (if you, rather than your broker, are the record holder of the stock) or by proxy, whether you attend the Annual Meeting. To vote by proxy, you must fill out the enclosed proxy card, date and sign it, and either return it in the enclosed postage-paid envelope in time for us to receive it prior to the Annual Meeting or attend the Annual Meeting and submit the proxy at that time.

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*Can I vote if I hold my shares of common stock in street name?*

If on March 10, 2017 your shares of common stock were held in an account at a brokerage firm, bank, dealer or similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

*How many votes must be present to hold the Annual Meeting?*

A quorum must be present to hold our Annual Meeting. A majority of the votes entitled to be cast at the Annual Meeting constitutes a quorum. Your shares, once represented for any purpose at the Annual Meeting, are deemed present for purposes of determining a quorum for the remainder of the meeting and for any adjournment unless a new record date is set for the adjourned meeting. This is true even if you abstain from voting with respect to any matter brought before the Annual Meeting.

*How many votes does a shareholder have per share of common stock?*

Our shareholders are entitled to one vote for each share of common stock held, except that as to the proposal to elect the Class III directors named herein, shareholders may cumulate their votes. Cumulative voting is described below.

*What vote is required for approval of proposals at the Annual Meeting?*

The Articles of Incorporation require that the affirmative vote of at least 80% of the total outstanding shares entitled to vote is required to adopt Proposal 4(ii) (to delete the special shareholder voting requirement for approval of certain takeover transactions).

The Articles of Incorporation require that the affirmative vote of at least 75% of the total outstanding shares entitled to vote is required to adopt Proposal 4(iii) (to authorize the Board of Directors to establish the size of the Board within the range specified by the Articles of Incorporation), Proposal 4(iv) (to authorize the Board of Directors to fill any vacancies occurring in the Board), and Proposal 4(v) (to delete the affirmative election regarding the Mississippi Control Share Act).

The vote required to elect directors is described below.

For all other proposals brought before the Annual Meeting, each proposal is approved if the votes cast **FOR** each proposal are greater than the votes cast **AGAINST** each proposal.

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*How are directors elected?*

At the Annual Meeting, you will consider a proposal to elect the four Class III directors named herein. Directors are elected by plurality vote; the candidates in each class who receive the highest number of votes cast, up to the number of directors in that class to be elected, are elected.

Generally, you may cumulate your votes to elect directors in a particular class. Cumulative voting entitles you to vote the number of shares you hold multiplied by the number of directors in each class. You can cast your votes for one nominee or distribute your total votes among all or several nominees in the class.

*For example:* There are four Class III directors. If you own ten shares, you have 40 votes for the Class III directors named herein. You can elect to allocate the 40 votes among the Class III director nominees by casting all votes for a single director nominee or by dividing the votes between any number of the nominees in any proportion.

*How will my proxy be voted, and how are votes counted?*

When your proxy card is returned, properly signed and dated, the proxy holders will vote your shares of common stock at the Annual Meeting as you instruct on your proxy card, including any adjournments or postponements of the Annual Meeting. If your proxy card is signed, but no instructions are given, the proxy holders will vote your shares of common stock at the Annual Meeting as follows:

1. **FOR** setting the number of directors to serve on our Board of Directors at ten;
2. **FOR** the election the four Class III director nominees named herein, each to serve a three-year term;
3. **FOR** the approval, on an advisory (non-binding) basis, of our executive officer compensation;
4. **FOR** the approval of the Restated Articles of Incorporation and Bylaws, including **FOR** each of the amendments to (i) authorize five million shares of preferred stock, with rights and preferences as may be determined from time to time by the Board of Directors, (ii) delete the special shareholder voting requirement for approval of certain takeover transactions, (iii) authorize the Board of Directors to establish the size of the Board within the range specified by the Articles of Incorporation, (iv) authorize the Board of Directors to fill any vacancies occurring in the Board, (v) delete the affirmative election regarding the Mississippi Control Share Act, (vi) add an exclusive forum provision, (vii) delete cumulative voting and provide for election of directors by majority voting, and (viii) provide for non-substantive revisions consistent with current corporate laws; and



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5. **FOR** the ratification of our Board of Directors appointment of our independent registered public accounting firm for the fiscal year ending December 31, 2017.

To the extent that the proxy holders possess discretionary voting authority because your proxy card does not withhold authority to vote for the election of directors or for a particular nominee or provide specific instructions about the allocation of votes, the proxy holders are expected to cumulate votes in the manner most likely to elect all of the Board of Directors nominees for Class III director. If you hold your shares in street name, you must provide voting instructions to your broker. If you do not provide instructions to your broker, the shares will not be voted on for any matter on which your broker does not have discretionary authority to vote, which generally includes non-routine matters. A vote that is not cast for this reason is called a broker non-vote. We will treat broker non-votes as shares present for the purpose of determining whether a quorum is present at the Annual Meeting, but we will not consider broker non-votes present for purposes of calculating the vote on a particular matter, nor will we count broker non-votes as a vote **FOR** or **AGAINST** a matter or as an abstention on the matter. Proposals 1, 2 3, and 4(i)-(viii) are considered non-routine matters on which your broker will not be entitled to vote your shares without your voting instructions. Proposal 5 to be voted on at the Annual Meeting is considered a routine matter for broker voting purposes.

Under Mississippi law, an abstention by a shareholder, who is either present in person at the Annual Meeting or represented by proxy, is not a vote cast and is counted neither **FOR** nor **AGAINST** the matter subject to the abstention.

*Can a proxy be revoked?*

Yes. You can revoke your proxy at any time before it is voted. You may revoke your proxy by giving written notice to our secretary before the Annual Meeting or by granting a subsequent proxy. If you, rather than your broker, are a record holder of our stock, a proxy can also be revoked by appearing in person and voting at the Annual Meeting. Written notice of the revocation of a proxy should be delivered to the following address: Secretary, Citizens Holding Company, 521 Main Street, Philadelphia, Mississippi 39350.

**STOCK OWNERSHIP***Does any person own more than 5% of our common stock?*

The following table sets forth as of March 10, 2017, each person or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act ) known to us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, excluding any director or officer whose ownership is reflected in the next table. Beneficial ownership has been determined under Rule 13d-3 under the Exchange Act and is based upon the number of shares of our common stock issued and outstanding as of March 10, 2017, which was 4,887,079.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
of Beneficial Owner		



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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
The Molpus Company and Richard H. Molpus, Jr.  502 Valley View Drive  Philadelphia, Mississippi 39350	451,453 <sup>(1)</sup>	9.3%

- (1) Based upon a Schedule 13G/A filed jointly by the Molpus Company and Richard H. Molpus, Jr. on January 28, 2016 with the SEC. Of the shares of common stock, par value \$.20 per share, of Citizens Holding Company covered by this Schedule 13G, (i) 230,000 shares are held by the Molpus Company; (ii) 54,706 shares of our common stock are owned by Mr. Molpus personally; (iii) 33,027 shares are owned by a limited liability company in which Mr. Molpus holds a 48% membership interest (and a 51% voting interest), the Molpus Company holds a 1% membership interest, and as to which Mr. Molpus has sole investment power and has all rights and benefits to the Citizens Holding Company common stock owned by the limited liability company; and (iv) 133,720 shares of common stock that are owned by the Dick Molpus Foundation, a non-profit organization of which Mr. Molpus is a director and as to which Mr. Molpus has sole investment and voting power.

*How much stock do our directors, nominees and executive officers beneficially own?*

The following table includes information about the common stock owned by our directors, nominees and executive officers as of March 10, 2017, including their name, position and the number of shares beneficially owned. Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act and is based upon the number of shares of our common stock issued and outstanding as of March 10, 2017, which was 4,887,079 shares, and the number of shares exercisable within sixty days of March 10, 2017. Unless otherwise noted, these persons have sole voting power and investment power with respect to the listed shares (subject to any applicable community property laws). The address of each director and executive officer is Citizens Holding Company, 521 Main Street, Philadelphia, Mississippi 39350.

	Amount and Nature of Beneficial Ownership			Total	Percent of Class
	Direct	Options Exercisable Within 60 Days	Other		
<b>Directors and Nominees**:</b>					
Craig Dungan, MD	40,984	7,500	196 <sup>(1)</sup>	48,680	1.0%
Don L. Fulton	26,398	9,000		33,398	*
Donald L. Kilgore	8,028	9,000		17,028	*
David A. King	135,687	9,000	2,650 <sup>(2)</sup>	147,337	3.0%
Herbert A. King	109,094	9,000	167,052 <sup>(3)</sup>	285,146	5.7%



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**Amount and Nature of Beneficial  
Ownership  
Options  
Exercisable  
Direct Within 60 Days**