

LCNB CORP
Form S-4/A
October 22, 2007

As filed with the Securities and Exchange Commission on October 22, 2007.

Registration No. 333-146306

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Pre-Effective

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

LCNB CORP.

(Exact name of registrant as specified in its charter)

OHIO
(State or other jurisdiction
of incorporation or
organization)

6022
(Primary Standard Industrial
Classification Code Number)

31-1626393
(I.R.S. Employer
Identification
No.)

2 North Broadway

Lebanon, Ohio 45036

(513) 932-1414

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

Stephen P. Wilson

LCNB Corp.

2 North Broadway

Lebanon, Ohio 45036

(513) 932-1414

(Address, including zip Code, and telephone number,
including area code, of agent for service)

Copies to:

Susan B. Zaunbrecher, Esq.

Dinsmore & Shohl LLP

255 E. Fifth Street, Suite 1900

Cincinnati, Ohio 45202

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement has become effective and all other conditions to the consummation of the transactions have been satisfied or waived.

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per unit	Proposed maximum aggregate price (2)	Amount of registration fee
Common shares, without par value	361,826	N/A	\$4,920,829	\$151

(1)

Based upon the maximum number of common shares that LCNB may be required to issue in the transaction, calculated as the product of (i) half of the outstanding Sycamore common shares and (ii) an exchange ratio of 2.444 common shares of LCNB for each share of Sycamore, plus the number of Sycamore options that may be vested as of the effective time multiplied by 2.444.

(2)

Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933 and computed pursuant to Rule 457(f) thereunder on the basis of the market value of the common shares of LCNB to be received by the holders of Sycamore common shares in the transaction, computed, in accordance with Rule 457(f)(1) and (3), as the product of (x) \$13.60, the average of the high and low prices of LCNB's common shares, as reported on the OTCBB on September 20, 2007, multiplied by (y) the 361,826 common shares of LCNB to be issued in the merger transaction. The proposed maximum aggregate offering price was calculated using this method because the amount of cash estimated to be paid by LCNB in the merger transaction exceeds the aggregate book value of the common shares of Sycamore to be exchanged in the merger transaction. As a result, the application of rules 457(f)(2) and 457(f)(3) would result in a negative proposed maximum aggregate offering price.

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

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated October 22, 2007

Sycamore National Bank

3209 W. Galbraith Road

Cincinnati, Ohio 45239

(513) 741-0019

Notice of Special Meeting of Shareholders

To Be Held on December 6, 2007

A special meeting of shareholders of Sycamore National Bank will be held on December 6, 2007 at 3:00 p.m., Eastern Time, at 3209 W. Galbraith Road, Cincinnati, Ohio 45239. The special meeting will be held for the purpose of considering and voting upon the following matters:

1.

To approve and adopt the Amended and Restated Affiliation Agreement, dated as of September 24, 2007, by and among LCNB Corp., Lebanon-Citizens National Bank and Sycamore National Bank, which provides for the merger of Sycamore National Bank with and into LCNB Corp.'s wholly-owned subsidiary Lebanon-Citizens National Bank (since renamed LCNB National Bank). Subject to certain adjustments set forth in the Amended and Restated Affiliation Agreement, at the effective time of the merger each outstanding common share of Sycamore National Bank, \$1.00 par value, will be converted into the right to receive either: (1) \$33.75 in cash, or (2) 2.444 common shares, without par value, of LCNB, or a combination of cash and LCNB common shares so that one-half of all of the outstanding Sycamore shares will be exchanged for cash and one-half of all the outstanding Sycamore shares will be exchanged for LCNB common shares; and

2.

To transact such other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

The Board of Directors of Sycamore has established October 22, 2007, as the record date for the special meeting. Only record holders of Sycamore common shares as of the close of business on that date will be entitled to receive notice of and vote at the special meeting.

A joint proxy statement/prospectus and proxy card for the special meeting are enclosed.

Your vote is important. Even if you plan to attend the special meeting, please complete, sign and return the proxy card in the enclosed postage-paid envelope as soon as possible.

The Sycamore National Bank Board of Directors recommends that you vote FOR the approval and adoption of the Amended and restated affiliation agreement

By Order of the Board of Directors,

Cincinnati, Ohio

October 22, 2007

William A. Huddleson, Chairman

LCNB CORP.

SYCAMORE NATIONAL BANK

PROSPECTUS

PROXY STATEMENT

for the issuance of up to

for the Special Meeting of Shareholders

361,826 Common Shares of

to be held on December 6, 2007

LCNB Corp.

at 3:00 p.m.

On September 24, 2007, Sycamore National Bank (Sycamore), LCNB Corp. (LCNB), and Lebanon-Citizens National Bank (which has subsequently changed its name to LCNB National Bank)(the Bank) executed an amended and restated affiliation agreement that provides for the merger of Sycamore into the Bank. For tax purposes, it is intended that the acquisition of Sycamore by LCNB will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

We cannot complete the merger unless the holders of at least 186,489 Sycamore common shares, which is more than two-thirds of the issued and outstanding Sycamore common shares, approve and adopt the amended and restated affiliation agreement. The Sycamore Board of Directors has scheduled a special meeting for Sycamore shareholders to vote on the amended and restated affiliation agreement. The date, time and place of the special meeting are as follows:

December 6, 2007

3:00 p.m.

3902 W. Galbraith Road

Cincinnati, Ohio 45239

Cincinnati, Ohio

Subject to certain adjustments set forth in the amended and restated affiliation agreement, if we complete the merger each outstanding common share of Sycamore will be converted into either (1) \$33.75 in cash, or (2) 2.444 common shares of LCNB. Shareholders will have the option to receive cash, LCNB shares, or a combination of cash and

LCNB shares. Elections will be limited by the requirement that one-half of all of the outstanding Sycamore shares be exchanged for cash and one-half of all the outstanding Sycamore shares be exchanged for stock. Therefore, you may not receive the form of payment that you request.

LCNB shares are listed on the OTC Bulletin Board (OTCBB) under the symbol LCNB. On October 19, 2007, LCNB shares closed at \$12.85. Based on that price, 2,444 common shares of LCNB would be valued at \$31.41. **The consideration that Sycamore shareholders will receive in exchange for their Sycamore shares may be adjusted under certain circumstances set forth in the amended and restated affiliation agreement.**

This proxy statement/prospectus provides detailed information about the merger. We encourage you to read this entire document carefully.

An investment in the common shares of LCNB involves certain risks. For a discussion of these risks, see Risk factors beginning on page 8 of this document.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the LCNB shares to be issued in the merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. LCNB shares are not insured by the Federal Deposit Insurance Corporation or any other government agency.

This proxy statement/prospectus is dated October 22, 2007, and is first being mailed to Sycamore shareholders on or about October 22, 2007.

Additional information

This proxy statement/prospectus incorporates important business and financial information about LCNB that is not included in or delivered with this proxy statement/prospectus. You can obtain LCNB's documents that LCNB has filed with or furnished to the Securities and Exchange Commission but have not been included in or delivered with this proxy statement/prospectus without charge by requesting them in writing or by telephone from LCNB at the following address:

LCNB Corp.

2 N. Broadway

Lebanon, Ohio 45036

Attn: Stephen P. Wilson

(513) 932-1414

Any request for documents should be made by November 28, 2007 to ensure timely delivery of the documents prior to the special meeting.

See **Where You Can Find More Information** on page 50.

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Where you can find more information

Annex A

Amended and Restated Affiliation Agreement, dated September 24, 2007, by and among LCNB Corp., The Lebanon-Citizens National Bank and Sycamore National Bank.

Annex B

Opinion of Sandler O'Neill & Partners, L.P. dated as of October 19, 2007.

Annex C

Rights of dissenting shareholders, Title 12 USC 215a.

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE
SYCAMORE SPECIAL SHAREHOLDERS MEETING**

Q: WHAT WILL HAPPEN IN THE MERGER?

A: In the merger, Sycamore will merge with and into the Bank, a national bank, wholly-owned subsidiary of LCNB. The existing board of directors and executive officers of the Bank will be the board of directors and executive officers of the merged company, with John Calhoun, Chief Executive Officer of Sycamore, being added as an Executive Vice President.

Q: WHAT WILL I RECEIVE IN THE MERGER?

A: Upon completion of the merger, each Sycamore common share will automatically be converted into \$33.75 cash or 2.444 LCNB common shares. LCNB will not issue any fractional shares in the merger; instead, Sycamore shareholders will receive cash for any fractional shares of LCNB common shares owed to them.

Q: CAN I ELECT THE TYPE OF CONSIDERATION THAT I WILL RECEIVE IN THE MERGER?

A: Yes. You will be permitted to elect whether you wish to receive cash, LCNB common shares or a combination of cash and shares in exchange for your Sycamore common shares.

Q: WILL I RECEIVE THE FORM OF CONSIDERATION I ELECT TO RECEIVE?

A: Not necessarily. Your election will be subject to reallocation under the procedures explained in the amended and restated affiliation agreement and this proxy statement/prospectus to ensure that the Sycamore common shares, in the aggregate, are exchanged 50% for cash and 50% for LCNB common shares.

Q: WHEN AND WHERE WILL THE SPECIAL MEETING TAKE PLACE?

A: The special meeting of shareholders of Sycamore National Bank will be held on December 6, 2007 at 3:00 p.m., Eastern Time, at 3209 W. Galbraith Road, Cincinnati, Ohio 45239.

Q: WHAT MATTERS WILL BE CONSIDERED AT THE SPECIAL MEETING?

A: Sycamore shareholders will be asked to vote to approve the amended and restated affiliation agreement and the transactions contemplated by the amended and restated affiliation agreement, as well as any additional matters that come before the special meeting.

Q: WHAT DO I NEED TO DO NOW?

A: After reviewing this proxy statement/prospectus, please sign and date the enclosed proxy card and return it in the enclosed postage-paid envelope as soon as possible. By submitting your proxy card, you authorize the individuals named in the proxy card to represent you and vote your shares of Sycamore common stock at the special meeting in accordance with your instructions. Your vote is very important. Whether or not you plan to attend the special meeting, please sign, date and return your proxy card in the enclosed postage-paid envelope.

You also have received or shortly will be receiving an election form by which you are to select the form of consideration for which you will exchange your Sycamore common shares. Please return the election form pursuant to the instructions included with the form as soon as possible. **By making an election and returning the form, you will not be deemed to have voted for the amended and restated affiliation agreement.** Returning the election form will not affect your dissenters' rights.

Q: WHEN SHOULD I SEND IN MY SYCAMORE COMMON STOCK CERTIFICATES?

A: Please do not send them in with your proxy cards. Registrar and Transfer Company, the exchange agent, will provide instructions on returning your Sycamore common share certificates within five business days of the closing of the merger.

Q: IS MY VOTE NEEDED TO APPROVE THE AMENDED AND RESTATED AFFILIATION AGREEMENT?

A: The affirmative vote of two-thirds of the outstanding Sycamore common shares entitled to vote at the special meeting is required to approve the amended and restated affiliation agreement. Your failure to vote, in person or by proxy, at the special meeting or your abstention will have the same effect as if you voted AGAINST the approval of the amended and restated affiliation agreement.

Q: HOW WILL MY SHARES BE VOTED IF I RETURN A BLANK PROXY CARD?

A: If you sign, date and return your proxy card and do not indicate how you want your Sycamore common shares to be voted, your shares will be voted FOR the approval of the amended and restated affiliation agreement.

Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes, you may revoke your proxy at any time before a vote is taken at the special meeting by:

- filing a written notice of revocation with the Secretary of Sycamore, at: 3209 W. Galbraith Road, Cincinnati, Ohio 45239

- executing and returning another proxy card with a later date; or

- attending the special meeting and giving notice of revocation in person.

Attendance at the special meeting will not, by itself, revoke your proxy.

Q: IF I DO NOT FAVOR THE APPROVAL OF THE AMENDED AND RESTATED AFFILIATION AGREEMENT AND THE MERGER, WHAT ARE MY RIGHTS?

A: You have the rights under 12 U.S.C. Section 215a to dissent from the proposed merger and to demand the value (as determined pursuant to 12 U.S.C. Section 215a) of your Sycamore common shares. These rights are known as dissenters rights. Please see Dissenters Rights beginning on page 16 of this proxy statement/prospectus and the text of 12 U.S.C. Section 215a attached to this proxy statement/prospectus as Annex C for additional information.

Q: IF MY SHARES OF SYCAMORE STOCK ARE HELD IN STREET NAME BY MY BROKER, WILL MY BROKER VOTE MY SHARES OF SYCAMORE COMMON STOCK FOR ME?

A: Your broker will vote your shares only if you provide instructions on how to vote. If you do not provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares, which will have the effect of a vote against approving the amended and restated affiliation agreement.

Q: WHEN DO YOU EXPECT THE MERGER TO BE COMPLETED?

A: We expect to complete the merger in the fourth quarter of 2007; however, we cannot assure you when or if the merger will occur. We must first obtain the approval of our shareholders at the special meeting and the necessary regulatory approvals.

Summary

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. To fully understand the merger, you should read carefully this entire document and the other documents to which we refer. To obtain more information, see Where you can find more information on page 50. Page references are included in this summary to direct you to a more complete description of topics discussed in this document.

The parties (page 17)

LCNB Corp.

2 N. Broadway

Lebanon, Ohio 45036

(513) 932-1414

LCNB Corp. (LCNB), an Ohio corporation formed in December, 1998, is a financial holding company headquartered in Lebanon, Ohio. Through its subsidiaries, LCNB National Bank (the Bank) and Dakin Insurance Agency, Inc. (Dakin), LCNB is engaged in the commercial banking and insurance agency businesses.

The predecessor of LCNB, the Bank, was formed as a national banking association in 1877. On May 19, 1999, the Bank became a wholly-owned subsidiary of LCNB. The Bank's main office is located in Warren County, Ohio and 21 branch offices are located in Warren, Butler, Clinton, Clermont, Montgomery and Hamilton Counties, Ohio. In addition, the Bank operates 28 automated teller machines (ATMs) in its market area.

The Bank is a full service community bank offering a wide range of commercial and personal banking services. Deposit services include checking accounts, NOW accounts, savings accounts, Christmas and vacation savings accounts, money market deposit accounts, Classic 50 accounts (a Senior Citizen program), individual retirement accounts, and certificates of deposit. Deposits of the Bank are insured up to applicable limits by the Deposit Insurance Fund, which is administered by the Federal Deposit Insurance Corporation (the FDIC).

At June 30, 2007, LCNB had 183 full-time and 81 part-time employees, total assets of \$540.3 million, total loans of \$392.6 million, total deposits of \$479.8 million, and total shareholders' equity of \$51.1 million. LCNB common shares are traded on The OTC Bulletin Board (OTCBB) under the symbol LCNB.

Sycamore National Bank

3209 W. Galbraith Road

Cincinnati, Ohio 45239

(513) 741-0019

Sycamore National Bank ("Sycamore") is a national bank headquartered in Cincinnati, Ohio. Sycamore was founded in 1880 as a mutual savings association and later converted to a national bank in 1991. Sycamore operates within Colerain and Green Townships in Cincinnati, Ohio, with its main office located on W. Galbraith Road and its single branch office located on Bridgetown Road.

Sycamore is a community bank serving individuals and small businesses in the Cincinnati area. Sycamore has a wide variety of loan and deposit products, including personal loans, mortgage loans, home equity loans, checking accounts, money market accounts, savings accounts, certificates of deposit, and individual retirement accounts. See also the description of Sycamore beginning on page 17.

At June 30, 2007, Sycamore had 11 full-time and 9 part-time employees, total assets of \$48.5 million, total loans of \$43.1 million, total deposits of \$43.8 million, and total shareholders' equity of \$4.5 million.

The merger (page 18)

The amended and restated affiliation agreement provides for the merger of Sycamore into the Bank. The merger cannot be completed unless at least 186,489 Sycamore shares, which is more than two-thirds of the issued and outstanding Sycamore shares, are voted to approve and adopt the amended and restated affiliation agreement and the merger. The amended and restated affiliation agreement is attached to this document as Annex A and is incorporated in this proxy statement/prospectus by reference. We encourage you to read the amended and restated affiliation agreement carefully, because it is the legal document that governs the merger.

Merger Consideration (page 32)

Subject to certain adjustments set forth in the amended and restated affiliation agreement and described below, at the effective time of the merger each Sycamore common share will be converted into the right to receive either \$33.75 in cash or 2.444 LCNB common shares. Shareholders of Sycamore will have the option of electing how many of their Sycamore common shares to exchange for cash, and how many shares to exchange for LCNB common shares.

Under the amended and restated affiliation agreement, one-half of the total number of Sycamore common shares outstanding immediately prior to the effective time of the merger must be exchanged for cash, and one-half of the total number of Sycamore shares outstanding immediately prior to the effective time of the merger must be exchanged for LCNB shares. **If the aggregate number of shares for which cash and stock elections are made are not equal to one-half of the outstanding Sycamore shares, then the form of payment you receive may be different than what you requested.**

The amended and restated affiliation agreement provides that the per share merger consideration to be received by Sycamore shareholders may be adjusted so that the exchange ratio (*i.e.*, the number of LCNB Shares that Sycamore shareholders will receive in exchange for each LCNB share) may be increased if the average market price of a LCNB share at a specified time prior to the closing date is less than \$11.05 and the decline in the market price of a LCNB share is more than a 20% decline, if any, in the SNL Bank Index.

Election procedure (page 33)

On the date on which this proxy statement/prospectus was mailed to you, Registrar and Transfer Company, the exchange agent in the transaction, mailed an election form to you that will permit you to elect the type of consideration you would prefer to receive in exchange for each Sycamore share that you own. Your options are to:

- elect to receive all cash,
- elect to receive all LCNB shares,
- elect to receive a combination of cash and LCNB shares, or
- make no election.

All election forms must be properly completed and actually received by the exchange agent by 5:00 p.m., Eastern Time, on the third day preceding the effective time of the merger. Please do not send your stock certificates with the election forms.

Allocation of LCNB common shares and cash among Sycamore shareholders (page 33)

Under the amended and restated affiliation agreement, one-half of the total number of Sycamore common shares outstanding at the effective time of the merger will be exchanged for cash and one-half of the total number of Sycamore common shares outstanding at the effective time of the merger will be exchanged for

LCNB common shares. If the number of Sycamore common shares designated by Sycamore shareholders in election forms to be exchanged for cash consideration is less than one-half, then each Sycamore shareholder electing cash will receive cash. The Sycamore common shares of those Sycamore shareholders who did not make an election and, if necessary, those Sycamore shareholders electing to receive LCNB common shares as consideration, will then be exchanged for cash, on a pro rata basis, so that one-half of the outstanding Sycamore common shares are exchanged for cash. The remainder of the Sycamore common shares will be exchanged for LCNB shares.

If the number of Sycamore common shares designated by Sycamore shareholders in election forms to be exchanged for cash consideration is greater than one-half, then the cash consideration will be allocated among those Sycamore shareholders electing to receive cash on a pro rata basis so that the total number of Sycamore common shares exchanged for cash equals one-half of the number of outstanding Sycamore common shares immediately prior to the effective time of the merger. The remainder of the Sycamore shares will be exchanged for LCNB common shares.

Special meeting of Sycamore shareholders (page 14)

Sycamore will hold a special meeting of shareholders on December 6, 2007, at 3:00 p.m., Eastern Time, at 3209 W. Galbraith Road, Cincinnati, Ohio 45239. Only holders of record of the outstanding Sycamore shares at the close of business on October 11, 2007 will be entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting. As of such date, there were 279,733 Sycamore common shares issued and outstanding, each of which will be entitled to one vote on each matter properly submitted for vote to the shareholders at the special meeting.

At the special meeting, Sycamore shareholders will be asked to consider and vote upon the following matters:

- to approve and adopt the amended and restated affiliation agreement, dated as of September 24, 2007, by and among LCNB Corp., The Lebanon-Citizens National Bank (subsequently renamed LCNB National Bank) and Sycamore National Bank, and the merger of Sycamore into LCNB National Bank; and

- to transact such other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

Required vote (page 15)

The adoption of the amended and restated affiliation agreement and approval of the merger will require the affirmative vote of at least 186,489 Sycamore shares, which is more than two-thirds of the issued and outstanding Sycamore shares entitled to vote at the special meeting. A quorum, consisting of the holders of a majority of the outstanding Sycamore common shares, must be present in person or by proxy at the special meeting of shareholders before any action can be taken. Abstentions and broker non-votes will have the effect of a vote against the adoption and approval of the amended and restated affiliation agreement. If you fail to return your properly executed proxy card, the effect will be the same as a vote against approval and adoption of the amended and restated affiliation agreement unless you are present and vote at the special meeting.

If you return your properly executed proxy card prior to the special meeting and do not revoke it prior to its use, the Sycamore common shares represented by that proxy card will be voted at the special meeting, or any adjournment or postponement of the special meeting. The Sycamore common shares will be voted as specified on the proxy card or, in the absence of specific instructions to the contrary, will be voted **FOR** the approval and adoption of the amended and restated affiliation agreement.

Vote of management owned shares (page 15)

As of the record date, directors and executive officers of Sycamore and their affiliates collectively owned approximately 26% of the outstanding Sycamore shares. The affirmative vote of at least two-thirds of the outstanding shares of Sycamore is required to approve the amended and restated affiliation agreement. All of the directors of Sycamore, who collectively owned approximately 25% of the outstanding Sycamore shares as of the record date, entered into voting agreements with LCNB pursuant to which they agreed to vote 66,301 shares in favor of the adoption and approval of the amended and restated affiliation agreement.

Recommendation to shareholders (page 15)

The Sycamore Board of Directors believes that the merger is in the best interests of Sycamore and its shareholders and unanimously recommends that you vote **FOR** the proposal to approve and adopt the amended and restated affiliation agreement.

Conditions to completion of merger (page 37)

The completion of the merger depends upon the satisfaction of a number of conditions set forth in the amended and restated affiliation agreement, including the adoption of the amended and restated affiliation agreement and approval of the merger by Sycamore shareholders and the receipt of necessary government approvals. LCNB, the Bank, and Sycamore have filed the applications necessary to obtain approval for the merger from the necessary governmental authorities.

Opinion of Sycamore's financial advisor (page 22)

In deciding to approve the merger, the Sycamore Board of Directors considered the opinion of its financial advisor, Sandler O'Neill & Partners, L.P., dated September 24, 2007, that the merger consideration to be paid by LCNB to the holders of Sycamore common shares in connection with the merger pursuant to the amended and restated affiliation agreement is fair to Sycamore shareholders from a financial point of view. The opinion, updated as of October 19, 2007, is attached as Annex B to this proxy statement/prospectus. We encourage you to read the opinion.

Material federal income tax consequences of the merger (page 42)

Sycamore shareholders may recognize a gain or a loss upon the receipt of cash and/or LCNB shares in the merger. The actual income tax consequences for each Sycamore shareholder may be different, and you should contact your tax advisor.

Interests of directors and officers (page 40)

Some of the directors and executive officers of Sycamore have interests in the merger that are different from, or in addition to, their interests as shareholders of Sycamore. These interests include the following:

-

John Calhoun and John Rost have entered into employment agreements with LCNB, which provide for their employment for a certain period of time after the effective time of the merger. These agreements are described in further detail later in this proxy statement/prospectus.

-

Sycamore has purchased directors and officers liability insurance for the directors and officers of Sycamore for a period of three years after the merger. LCNB has also agreed to indemnify the directors, officers and employees of Sycamore for certain actions or omissions in the course of their duties as directors, officers and employees of Sycamore occurring prior to the merger.

The Sycamore Board of Directors was aware of these interests of the directors and officers of Sycamore and considered them, among other things, in approving the amended and restated affiliation agreement and the merger.

Resale of LCNB shares (page 42)

LCNB has registered the LCNB shares to be issued in the merger with the Securities and Exchange Commission under the Securities Act of 1933, as amended. The LCNB shares will be freely transferable, except for LCNB shares received by persons who may be deemed to be affiliates of Sycamore.

Regulatory approvals (page 14)

LCNB has submitted an application to the Office of the Comptroller of the Currency seeking approval of the merger and has sent to the Board of Governors of the Federal Reserve System a request to waive the application requirements. We anticipate that these regulatory authorities will approve and/or waive the application requirements. However, there can be no assurance that all requisite approvals will be obtained or waived, that the approvals will be received on a timely basis or that the approvals will not impose conditions or requirements that would so materially reduce the economic or business benefits of the merger that, had such condition or requirement been known, neither LCNB nor Sycamore would have entered into the amended and restated affiliation agreement.

Termination and amendment of the amended and restated affiliation agreement (page 38)

LCNB and Sycamore may agree to terminate the merger at any time before it is completed, even if the Sycamore shareholders have voted to approve the merger. The amended and restated affiliation agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger for various reasons, including a failure to get the required approvals, material adverse changes, and by mutual written consent.

In the event that the Board of Directors of Sycamore terminates the amended and restated affiliation agreement to comply with its fiduciary duties to shareholders following the receipt of a proposal for an acquisition transaction from a person or entity other than LCNB, or Sycamore consummates or enters into an agreement relating to an acquisition transaction with any person or entity other than LCNB within 12 months after the amended and restated affiliation agreement is terminated by LCNB due to a willful breach of the amended and restated affiliation agreement by Sycamore, Sycamore will have to pay a termination fee to LCNB of \$300,000.

We may amend the amended and restated affiliation agreement in writing at any time before or after the Sycamore shareholders adopt the amended and restated affiliation agreement. If the Sycamore shareholders have already adopted the amended and restated affiliation agreement, however, we will not amend it without shareholder approval if the amendment would have a material adverse effect on the shareholders.

Dissenters' rights (page 16)

Federal law provides Sycamore shareholders with dissenters' rights in the merger. This means that if you strictly comply with the procedures under federal law, you have the right to receive payment for your Sycamore common shares based upon an independent determination of their value. In addition to the summary of dissenters' rights on page 16, a copy of the provisions of federal law regarding dissenters' rights to which Sycamore shareholders are entitled is attached to this proxy statement/prospectus as Annex C.

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Risk Factors

In deciding how to vote on the amended and restated affiliation agreement, you should consider carefully all of the information contained in this document, especially the following factors.

Fluctuation in the market price of the LCNB shares may affect the value of the consideration you receive.

Subject to certain adjustments set forth in the amended and restated affiliation agreement and described below, at the effective time of the merger, each Sycamore share will be converted into the right to receive either \$33.75 in cash or 2.444 LCNB shares. On October 19, 2007, the last trading date before we printed this proxy statement/prospectus, the price of LCNB shares closed at \$12.85 per share on OTCBB. Based on that price, 2.444 LCNB shares would be valued at \$31.41.

If the average market price of a LCNB share, at a specified date prior to the closing date is less than \$11.05 and the decline in the market price of a LCNB share is more than a 20% decline, if any, in the SNL Bank Index during the period between August 3, 2007 and the specified date described above, then the Board of Directors of Sycamore may elect to terminate the amended and restated affiliation agreement and abandon the merger. If the Board of Directors of Sycamore elects to terminate the amended and restated affiliation agreement, LCNB will have five days in which to elect to increase the exchange ratio so that the exchange ratio multiplied by the average market price of a LCNB share during the measuring period equals 80% of the per share cash amount. If LCNB elects to increase the exchange ratio, then the election by the Board of Directors to terminate the amended and restated affiliation agreement will be of no further force and effect and the amended and restated affiliation agreement will remain in effect.

The market price of the LCNB shares may fall after the end of the specified date described above and before the closing of the merger. Further, you will not receive your merger consideration until several weeks after the closing of the merger. You will not be able to sell your LCNB stock to avoid losses resulting from any decline in the trading prices of LCNB shares during this period.

On the day the merger closes, the market price of a share of LCNB stock may be higher or lower than the market price on the date the amended and restated affiliation agreement was signed, on the date this document was mailed to you, or on the date of the special meeting of shareholders of Sycamore. Therefore, you cannot be assured of receiving any specific market value of LCNB shares.

You may receive a form of consideration different from the form of consideration you elect

The consideration you receive in the merger is subject to the requirement that one-half of the total number of Sycamore shares outstanding immediately prior to the effective time of the merger must be exchanged for cash. The amended and restated affiliation agreement contains proration and allocation methods to achieve this result. If you elect to receive all cash and the available cash is oversubscribed, then you may receive a portion of the merger consideration in the form of LCNB stock. If you elect all stock and the available stock is oversubscribed, then you may receive a portion of the merger consideration in cash. If you elect a combination of cash and LCNB stock, you may not receive the specific combination of cash and LCNB stock that you request.

LCNB may fail to realize the anticipated benefits of the merger.

LCNB and Sycamore may not be able to integrate their operations without encountering difficulties, including the loss of key employees and customers, the disruption of ongoing business or possible inconsistencies in standards, controls, procedures and policies. Additionally, in determining that the merger is in the best interests of LCNB and Sycamore, each of the LCNB and the Sycamore Boards of Directors considered enhanced earnings opportunities. There can be no assurance, however, that any enhanced earnings will result from the merger.

Changes in interest rates could reduce LCNB's income.

LCNB's net income depends to a great extent on the difference between the interest rates earned on interest-earning assets, such as loans and investment securities, and the interest rates paid on interest-bearing liabilities, such as deposits and borrowings. These rates are highly sensitive to many factors that are beyond LCNB's control, including general economic conditions and the policies of various governmental and regulatory agencies. Changes in interest rates influence the volume of loan originations, the generation of deposits, the yield on loans and investment securities and the cost of deposits and borrowings. Fluctuations in these areas may adversely affect LCNB.

The termination fee set forth in the amended and restated affiliation agreement may limit the opportunity for Sycamore shareholders to realize a greater price to be paid for their shares.

Sycamore will be required to pay a termination fee in the amount of \$300,000 to LCNB if Sycamore terminates the amended and restated affiliation agreement due to a third party offer, or if Sycamore consummates a transaction with a third party within 12 months after LCNB terminates the agreement pursuant to Sycamore's willful breach of the agreement.

LCNB required Sycamore to agree to these provisions as a condition to LCNB's willingness to enter into the amended and restated affiliation agreement. However, these provisions might discourage a third party that might have an interest in acquiring all or a significant part of Sycamore from considering or proposing such an acquisition even if it were prepared to pay consideration with a higher per share market price than the current proposed merger consideration, and the termination fee might result in a potential competing acquirer proposing to pay a lower per share price to acquire Sycamore than it might have otherwise agreed to pay.

The merger is subject to the approval of governmental entities that may impose conditions that could have an adverse effect on LCNB.

The Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System must either approve the merger or waive approval of the merger before it may be completed. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although LCNB and Sycamore do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of LCNB following the merger, any of which might have a material adverse effect on LCNB following the merger.

Sycamore directors and officers have interests in the merger that are different from, or in addition to, those of a shareholder.

Executive officers of Sycamore negotiated the terms of the amended and restated affiliation agreement with their counterparts at LCNB, and the board of directors of Sycamore approved the amended and restated affiliation agreement and is recommending that Sycamore shareholders vote for the amended and restated affiliation agreement.

In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that some of Sycamore's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Sycamore common

shareholders. For example, LCNB has entered into employment agreements with certain of the executive officers for a period of time following the completion of the merger. See "Interests of Directors and Officers" beginning on page 40.

Sycamore shareholders will not control LCNB's future operations.

Following the merger, Sycamore shareholders in the aggregate will become the owners of approximately 5.4% of the approximately 6,707,312 LCNB common shares anticipated to be outstanding following the issuance of the 341,834 LCNB common shares in the merger and 19,992 shares pursuant to the conversion of Sycamore options. As a result, former Sycamore shareholders will not have a significant impact on the election of directors or on whether future proposals submitted to a vote of LCNB shareholders are approved or rejected.

LCNB could experience difficulties in managing its growth and effectively integrating Sycamore.

LCNB may not be able to manage its growth adequately and profitably or to integrate the operations of Sycamore effectively. Acquiring Sycamore will involve risks commonly associated with acquisitions, including, without limitation, potential exposure to liabilities of Sycamore, difficulty and expense of integrating the operations and personnel of Sycamore, potential disruption to the business of Sycamore and the Bank, potential diversion of the time and attention of management of these entities and impairment of relationships with, and the possible loss of, key employees and customers of these entities.

Future governmental regulation and legislation could limit LCNB's future growth.

LCNB and the Bank are subject to extensive regulation, supervision and legislation that govern almost all aspects of the operations of LCNB and the Bank. These laws may change from time to time and are primarily intended for the protection of consumers, depositors and deposit insurance funds. The impact of any changes to these laws may negatively affect LCNB's ability to expand its services and to increase the value of its business. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on LCNB, these changes could be materially adverse to LCNB's stockholders.

Additional risks and uncertainties could have a negative effect on LCNB's financial performance.

Additional factors could have a negative effect on the financial performance of LCNB and its subsidiaries and the LCNB common shares. Such factors include, without limitation, changes in general economic and financial market conditions, changes in competitive conditions, continuing consolidation in the financial services industry, new

litigation or changes in existing litigation, losses, customer bankruptcy, claims and assessments.

Forward looking statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor from civil litigation for forward-looking statements. Forward-looking statements include the information concerning future results of operations, cost savings and synergies of LCNB and Sycamore after the merger and those statements preceded by, followed by or that otherwise include the terms should, believe, expect, anticipate, intend, may, will, continue, es expressions that indicate future events and trends. Although LCNB and Sycamore believe, in making such statements, that their expectations are based on reasonable assumptions, these statements may be influenced by risks and uncertainties which could cause actual results and trends to be substantially different from historical results or those anticipated, depending on a variety of factors. These risks and uncertainties include, without limitation:

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expected cost savings from the merger may not be fully realized or realized within the expected time frame;

- revenues following the merger may be lower than expected or deposit withdrawals, operating costs or customer loss and business disruption following the merger may be greater than expected;

- competition among depository and other financial services companies may increase significantly;

- costs or difficulties related to the integration of LCNB and Sycamore may be greater than expected;

- general economic or business conditions, such as interest rates, may be less favorable than expected;

- adverse changes may occur in the securities market; and

- legislation or changes in regulatory requirements may adversely affect the businesses in which LCNB is engaged.

You should understand that these factors, in addition to those discussed elsewhere in this document and in documents that have been incorporated by reference, could affect the future results of LCNB and Sycamore and could cause those results to be substantially different from those expressed in any forward-looking statements. LCNB and Sycamore do not undertake any obligation to update any forward-looking statement to reflect events or circumstances arising after the date of this document.

Comparative stock prices

LCNB common shares are listed on the OTCBB under the symbol LCNB. Sycamore common shares are not publicly traded.

As of June 30, 2007, there were 6,345,486 LCNB common shares outstanding and held by approximately 613 holders of record. As of October 11, 2007, there were 279,733 Sycamore common shares outstanding and held by approximately 175 holders of record.

The information presented in the following table reflects the last reported sale prices for LCNB common shares on September 24, 2007, the last trading day preceding our public announcement of the merger, and on October 19, 2007, the last practicable trading day for which information was available prior to the date of this proxy statement/prospectus. No assurance can be given as to what the market price of LCNB common shares will be if and when the merger is consummated.

We have calculated the Sycamore equivalent per share price by multiplying the last reported sale price of LCNB common shares on the dates indicated by the relevant exchange ratio calculated in accordance with the terms of the amended and restated affiliation agreement. The applicable formulas and other assumptions used in calculating the relevant exchange ratios are described under the heading "Summary of Proposed Merger - Amended and Restated Affiliation Agreement" on page 33.

	<u>LCNB</u>	<u>Exchange Ratio</u>	<u>Sycamore equivalent per share price</u>
September 24, 2007	13.95	2.444	\$34.09
October 19, 2007	\$12.85	2.444	\$31.41

Selected consolidated financial data of LCNB

The tables below contain information regarding the financial condition and earnings of LCNB for the five years ended December 31, 2006, and the six months ended June 30, 2006 and 2007. This information is based on information contained in LCNB's quarterly report on Form 10-Q and annual reports on Form 10-K filed with the Securities and Exchange Commission.

SELECTED FINANCIAL DATA

	For the Six Months Ended June 30,		For the Years Ended December 31,				
	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(Dollars in thousands, except per share data)						
Income Statement:							
Interest income	\$ 15,783	14,795	30,548	27,602	25,648	27,437	30,163
Interest expense	6,694	5,638	12,233	9,032	7,368	8,680	10,670
Net interest income	9,089	9,157	18,315	18,570	18,280	18,757	19,493
Provision for loan losses	83	34	143	338	489	658	348
Net interest income after provision for loan losses	9,006	9,123	18,172	18,232	17,791	18,099	19,145
Non-interest income	4,103	4,099	8,345	7,956	7,659	6,797	5,623
Non-interest expenses	9,149	8,922	17,838	17,243	16,404	15,725	15,705
Income before income taxes	3,960	4,300	8,679	8,945	9,046	9,171	9,063
Provision for income taxes	965	1,082	2,165	2,240	2,450	2,434	2,523
Net income	\$ 2,995	3,218	6,514	6,705	6,596	6,737	6,540

Per Share (1):