

CAMCO FINANCIAL CORP
Form 8-K
February 01, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 26, 2010

CAMCO FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------|-------------------------|
| DELAWARE | 0-25196 | 51-0110823 |
| (State or other jurisdiction of incorporation) | (Commission File No.) | (IRS Employer I.D. No.) |

814 Wheeling Avenue, Cambridge, Ohio 43725
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (740) 435-2020

6901 Glenn Highway, Cambridge, Ohio 43725
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 - Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On January 26, 2010, the Compensation Committee and the Board of Directors of Camco Financial Corporation approved the 2010 Incentive Award Plan. The 2010 Plan provides an award for executive officers of Camco and its subsidiaries based on the achievement of certain corporate goals. It is anticipated that, for everyone other than Mr. Huston, the award will be paid 43% in cash and 57% in options to acquire Camco stock or some other form of equity.

The Compensation Committee set specific threshold, target and maximum dollar amounts and weightings for each of the corporate goals, which are set forth below. If the threshold is not met for a particular goal, no award will be paid for that goal.

For Messrs. Huston, Brooks and Ms. Tipton corporate goals are weighted below:

| Corporate Goal | Threshold | Target | Maximum | Weighting |
|--------------------------|------------|--------------|--------------|-----------|
| Pre-Tax Earnings | \$ 940,000 | \$ 1,040,000 | \$ 1,140,000 | 34% |
| Classified Assets (*) | 58,724,814 | 55,788,573 | 54,026,829 | 33 |
| Non-Performing Loans (*) | 41,434,019 | 39,362,318 | 38,119,298 | 33 |
| | | | | 100% |

For Mr. Caldwell, the corporate and divisional and balance goals are weighted below. The balances relating to residential, consumer, commercial and deposits are weighted on a monthly basis with the total weighting divided by 12 months. Each month must be achieved to receive the total weighting.

| Corporate Goal | Threshold | Target | Maximum | Weighting |
|--------------------------|--------------|-------------|-------------------------|-----------|
| Pre-Tax Earnings | \$ 670,893 | \$ 940,000 | \$ 1,034,000 | 10% |
| Classified Assets (*) | 58,724,814 | 55,788,573 | 54,026,829 | 9 |
| Non-Performing Loans (*) | 41,434,019 | 39,362,318 | 38,119,298 | 9 |
| Divisional Budget | 2% of Budget | 2010 budget | 10% greater than budget | 6 |
| Residential balances | 238,524,206 | 250,450,416 | 257,606,142 | 18 |
| Consumer Balances | 139,018,174 | 145,969,082 | 150,139,628 | 18 |
| Commercial Balances | 371,736,307 | 390,323,123 | 401,475,212 | 18 |
| Deposit Balances | 685,644,708 | 719,926,943 | 740,496,285 | 12 |
| | | | | 100% |

(*) A lower number reflects better performance.

Below are the total amounts that may be awarded to the CEO, CFO and each of the other Named Executive Officers under the 2010 Plan:

| Named Executive | Percent of Base Salary | | | Total Award Value Potential | | |
|-----------------|--|---|---|-----------------------------|-----------|-------------|
| | Threshold | Target | Maximum | Threshold | Target | Maximum |
| James E. Huston | 75% in cash plus 100% in stock options | 100% in cash plus 150% in stock options | 150% in cash plus 200% in stock options | \$526,575 | \$752,250 | \$1,053,150 |
| James E. Brooks | 20.00 | 40.00 | 60.00 | 25,500 | 51,000 | 76,500 |

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| | | | | | | |
|--------------------|-------|-------|-------|--------|--------|--------|
| David S. Caldwell | 16.67 | 33.33 | 50.00 | 24,502 | 48,989 | 73,491 |
| Kristina K. Tipton | 10.00 | 20.00 | 30.00 | 8,160 | 16,320 | 24,000 |

The number of options or other equity awarded will be determined using the fair market value of Camco's stock on the date the award is determined, which is expected to be in the early part of the first quarter of 2011. Options or other equity will vest over five years.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAMCO FINANCIAL CORPORATION

By: /s/ James E. Huston
James E. Huston
Chief Executive Officer

Date: February 1, 2010