COOPER TIRE & RUBBER CO
Form DEFA14A
March 23, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

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 § 240.14a-12

Cooper Tire & Rubber 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):

x 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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

***** Exercise Your *Right* to Vote *****

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 6, 2016.

COOPER TIRE & RUBBER COMPANY

<u>Meeting Information</u>

Meeting Type:	Annual Meeting
For holders as of:	March 14, 2016
Date:	May 6, 2016
Time:	10:00 a.m., EDT
Location:	The Westin Hotel Detroit Metropolitan Airport, McNamara Terminal 2501 Worldgateway Place Detroit, MI 48242

COOPER TIRE & RUBBER COMPANY
ATTN: CORPORATE SECRETARY
701 LIMA AVENUE
FINDLAY, OH 45840-0550

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at *www.proxyvote.com* or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.

E05000-P73853-Z67227

Before You Vote

How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

NOTICE AND PROXY STATEMENT	10-K REPORT
SHAREHOLDER LETTER	

How to View Online:

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: *www.proxyvote.com.*

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Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 22, 2016 to facilitate timely delivery.

How To Vote

Please Choose One of the Following Voting Methods

Vote In Person: Many stockholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: To vote now by Internet, go to *www.proxyvote.com.* Have the information that is printed in the box marked by the arrow (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

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Voting Items

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1, 2 AND 3.

1. To elect as Directors of Cooper Tire & Rubber Company for a term expiring in 2017, the nominees listed below:

Nominees:

01) Roy V. Armes	06) John F. Meier
02) Thomas P. Capo	07) Gary S. Michel
03) Steven M. Chapman	08) John H. Shuey
04) Susan F. Davis	09) Robert D. Welding
05) John J. Holland	

2. To ratify the selection of the Company's independent registered public accounting firm for the year ending December 31, 2016.

3. To approve, on a non-binding advisory basis, the Company's named executive officer compensation.

NOTE: Such other business as may properly come before the Annual Meeting or any postponement(s) or adjournment(s) thereof.

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Non-interest earning assets:						
Cash and due from banks	10,120			7,642		
Allowance for loan losses	(5,358)			(5,481)		
Other assets	46,985			23,261		
Total non-interest earning assets	51,747			25,422		
Total Assets	$688,207			$540,218		
Liabilities and Stockholders' Equity						
Interest bearing liabilities:						
Interest bearing demand and money market	$160,344	165	0.41	$115,553	152	0.53
Savings	84,062	61	0.29	49,759	27	0.22
Time	209,106	828	1.58	171,240	852	1.99
Total interest bearing deposits	453,512	1,054	0.93	336,552	1,031	1.23
Short-term borrowings	28,956	24	0.33	23,933	26	0.43
Other borrowings	38,285	314	3.28	42,891	419	3.92
Total interest bearing liabilities	520,753	1,392	1.07	403,376	1,476	1.46
Non-interest bearing liabilities:						
Demand deposits	75,831			64,512		
Other liabilities	5,204			5,508		
Total non-interest bearing liabilities	81,035			70,020		
Stockholders' equity	86,419			66,822		
Total Liabilities and Stockholders' Equity						

			$688,207	$540,218
Net interest income (tax equivalent basis)	6,573	3.94%	5,192	3.72%
Tax-equivalent basis adjustment	(310)		(273)	
Net interest income	$6,263		$4,919	
Net interest margin (tax equivalent basis)		4.13%		4.03%

(1) Interest and yields are presented on a tax-equivalent basis using a marginal tax rate of 34%.
(2) Average balances have been calculated based on daily balances.
(3) Annualized
(4) Loan balances include non-accrual loans and are net of unearned income.
(5) Loan yields include the effect of amortization of deferred fees, net of costs.

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Rate/Volume Analysis. The following table shows the fully taxable equivalent effect of changes in volumes and rates on interest income and interest expense.

	Increase/(Decrease) Three months ended September 30, 2011 Compared to Three months ended September 30, 2010		
	Variance due to		
	Volume	Rate	Net
	(dollars in thousands)		
Interest earning assets:			
Federal funds sold	$(1)	$(1)	$(2)
Interest bearing deposits with banks	11	(5)	6
Securities held to maturity	-	-	-
Securities available for sale:			
Taxable	(11)	(50)	(61)
Tax-exempt securities	225	(131)	94
Total securities	214	(181)	33
Loans receivable	2,885	(1,626)	1,259
Total interest earning assets	3,109	(1,813)	1,296
Interest bearing liabilities:			
Interest-bearing demand and money market….	178	(165)	13
Savings	23	11	34
Time	711	(735)	(24)
Total interest bearing deposits	912	(889)	23
Short-term borrowings	22	(24)	(2)
Other borrowings	(42)	(64)	(106)
Total interest bearing liabilities	892	977	(85)
Net interest income (tax-equivalent basis)	$2,217	$(836)	$1,381

Changes in net interest income that could not be specifically identified as either a rate or volume change were allocated proportionately to changes in volume and changes in rate.

Comparison of Operating Results for The Three Months Ended September 30, 2011 to September 30, 2010

General

For the three months ended September 30, 2011, net income totaled $2,215,000 compared to $1,890,000 earned in the similar period in 2010. The increased net income for the three months ended September 30, 2011 reflects the full-quarter impact of the acquisition of North Penn Bancorp, Inc. ("North Penn"), which was completed on May 31, 2011. Earnings per share for the current period were $.67 for basic and fully diluted compared to $.68 per share for the three months ended September 30, 2010. The decrease in earnings per share for the three months ended September 30, 2011 reflects the increase in outstanding shares resulting from the North Penn acquisition. The resulting annualized return on average assets and annualized return on average equity for the three months ended September 30, 2011 was 1.28% and 10.17%, respectively, compared to 1.39% and 10.98%, respectively, for the similar period in 2010.

The following table sets forth changes in net income:

(dollars in thousands)	Three months ended September 30, 2011 to September 30, 2010		
Net income three months ended September 30, 2010	$	1,890	
Change due to:			
Net interest income		1,344	
Provision for loan losses		(175	)
Gain on sales of loans and securities		421	
Other income		50	
Salaries and employee benefits		(472	)
Occupancy, furniture and equipment		(101	)
Foreclosed real estate expense		(369	)
All other expenses		(300	)
Income tax expense		(73	)
Net income three months ended September 30, 2011	$	2,215	

Net Interest Income

Net interest income on a fully taxable equivalent basis (fte) for the three months ended September 30, 2011, totaled $6,573,000, an increase of $1,381,000 or 26.6% from the similar period in 2010. The increase in net interest income largely reflects the increase in interest-earning assets from the North Penn acquisition. The fte net interest spread and net interest margin were 3.94% and 4.13%, respectively, for the three months ended September 30, 2011 compared to 3.72% and 4.03%, respectively, for the similar period in 2010.

Interest income (fte) totaled $7,965,000 with a yield on average earning assets of 5.01% compared to $6,668,000 and 5.18% for the 2010 period. The decrease in yield was due to a 30 basis point decrease in loan yields due to growth at current market rates and a higher level of nonperforming assets, combined with the reinvestment of securities cash flow and new purchases of securities at lower than historical rates. The yields earned on tax-free securities were also lower than the same three months of 2010. An increased level of low yielding money market assets also contributed to the decreased yield. Average earning assets totaled $636.5 million for the three months ended September 30, 2011, an increase of $121.7 million over the average for the similar period in 2010. This increase in average earning assets helped offset the decline in asset yields.

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Interest expense for the three months ended September 30, 2011 totaled $1,392,000 at an average cost of 1.07% compared to $1,476,000 and 1.46% for the similar period in 2010. As a result of the continued low interest rate environment, the Company further reduced rates paid on its money market accounts and cash management products, which are included in short-term borrowings. The cost of time deposits, which is the most significant component of funding, declined to 1.58% from 1.99% for the similar period in the prior year. As time deposits matured, they repriced at the current lower rates resulting in the decrease.

Provision for Loan Losses

The Company's provision for loan losses for the three months ended September 30, 2011 was $425,000 compared to $250,000 for the three months ended September 30, 2010. The Company makes provisions for loan losses in an amount necessary to maintain the allowance for loan losses at an acceptable level. The increase in the provision reflects an increase in net charge-offs during the quarter. Net charge-offs were $347,000 for the quarter ended September 30, 2011 compared to $158,000 for the similar period in 2010.

Other Income

Other income totaled $1,506,000 for the three months ended September 30, 2011 compared to $1,035,000 for the similar period in 2010. The current period includes a $544,000 gain on the sale of investment securities compared to a $161,000 gain in the third quarter of 2010. All other service charges and fees increased $88,000 compared to the third quarter of last year including a $38,000 increase in gains on the sale of residential mortgage loans.

Other Expense

Other expense for the three months ended September 30, 2011 totaled $4,354,000, or an increase of $1,242,000 from $3,112,000 for the similar period in 2010. Expense increases related to the North Penn acquisition including staffing increases and higher occupancy costs contributed to the increase. Foreclosed real estate costs also increased $369,000 due to the costs of disposition and maintaining several properties.

Income Tax Expense

Income tax expense totaled $775,000 for an effective tax rate of 25.6% for the period ending September 30, 2011 compared to $702,000 for an effective tax rate of 27.0% for the similar period in 2010 due primarily to the $8.2 million increase in average tax-exempt securities.

Results of Operations
NORWOOD FINANCIAL CORP.
Consolidated Average Balance Sheets with Resultant Interest and Rates
(Tax-Equivalent Basis, dollars in thousands)

	Nine Months Ended September 30, 2011			2010		
	Average Balance (2)	Interest (1)	Average Rate (3)	Average Balance (2)	Interest (1)	Average Rate (3)
Assets						
Interest-earning assets:						
Federal funds sold	$ 737	$ -	0.07 %	$ 3,000	$ 7	0.31 %
Interest bearing deposits with banks	20,834	42	0.27	16,712	36	0.29
Securities held-to-maturity(1)	170	10	7.84	317	20	8.41
Securities available for sale:						
Taxable	98,131	1,971	2.68	96,307	2,372	3.28
Tax-exempt(1)	48,790	2,066	5.65	37,821	1,655	5.83
Total securities available for sale (1)	146,921	4,037	3.66	134,128	4,027	4.00
Loans receivable (4) (5)	400,650	17,065	5.68	355,368	16,037	6.02
Total interest earning assets	569,312	21,154	4.95	509,525	20,127	5.27
Non-interest earning assets:						
Cash and due from banks	8,132			7,235		
Allowance for loan losses	(5,616)			(5,445)		
Other assets	33,978			22,190		
Total non-interest earning assets	36,494			23,980		
Total Assets	$ 605,806			$ 533,505		
Liabilities and Stockholders' Equity						
Interest bearing liabilities:						
Interest bearing demand and money market	$ 131,968	405	0.41	$ 106,993	449	0.56
Savings	68,124	139	0.27	48,260	84	0.23
Time	189,301	2,327	1.64	179,546	2,799	2.08
Total interest bearing deposits	389,393	2,871	0.98	334,799	3,332	1.33
Short-term borrowings	29,140	75	0.34	23,790	87	0.49
Other borrowings	37,160	992	3.56	42,963	1,247	3.87
Total interest bearing liabilities	455,693	3,938	1.15	401,552	4,666	1.55
Non-interest bearing liabilities:						
Demand deposits	68,588			61,819		
Other liabilities	4,902			5,012		
Total non-interest bearing liabilities	73,490			66,831		

Stockholders' equity	76,623			65,122			
Total Liabilities and Stockholders' Equity	$ 605,806			$ 533,505			
Net interest income (tax equivalent basis)		17,216	3.80 %			15,461	3.72 %
Tax-equivalent basis adjustment		(854)				(713)	
Net interest income		$ 16,362				$ 14,748	
Net interest margin (tax equivalent basis)			4.03 %				4.05 %

(1) Interest and yields are presented on a tax-equivalent basis using a marginal tax rate of 34%.
(2) Average balances have been calculated based on daily balances.
(3) Annualized
(4) Loan balances include non-accrual loans and are net of unearned income.
(5) Loan yields include the effect of amortization of deferred fees, net of costs.

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Rate/Volume Analysis

The following table shows the fully taxable equivalent effect of changes in volumes and rates on interest income and interest expense. Changes in net interest income that could not be specifically identified as either a rate or volume change were allocated proportionately to changes in volume and changes in rate.

	Increase/(Decrease) Nine Months Ended September 30, 2011 Compared to Nine Months Ended September 30, 2010 Variance due to		
	Volume	Rate	Net
	(dollars in thousands)		
Interest earning assets:			
Federal funds sold	$(4)	$(3)	$(7)
Interest bearing deposits with banks	10	(4)	6
Securities held to maturity	(9)	(1)	(10)
Securities available for sale:			
Taxable	71	(472)	(401)
Tax-exempt securities	498	(87)	411
Total securities	569	(559)	10
Loans receivable	2,381	(1,353)	1,028
Total interest earning assets	2,947	(1,920)	1,027
Interest bearing liabilities:			
Interest-bearing demand and money market	129	(173)	(44)
Savings	39	16	55
Time	226	(698)	(472)
Total interest bearing deposits	394	(855)	(461)
Short-term borrowings	24	(36)	(12)
Other borrowings	(160)	(95)	(255)
Total interest bearing liabilities	258	(986)	(728)
Net interest income (tax-equivalent basis)	$2,689	$(934)	$1,755

Comparison of Operating Results for Nine Months Ended September 30, 2011 and September 30, 2010

General

For the nine months ended September 30, 2011, net income totaled $5,359,000 compared to $5,505,000 earned in the similar period of 2010. The increase in net income was primarily driven by the North Penn acquisition which increased average interest-earning assets and net interest income. Earnings per share for the current period were $1.79 per share for both basic and diluted per share compared to $1.99 per share for the nine months ended September 30, 2010. The increase in the number of shares resulting from the North Penn acquisition contributed to the decrease in earnings per share. The resulting annualized return on average assets and annualized return on average equity for the nine months ended September 30, 2011 was 1.18% and 9.35% and 1.38% and 11.04%, respectively, for the similar period in 2010.

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The following table sets forth changes in net income:

(dollars in thousands)	Nine Months Ended September 30, 2011 to September 30, 2010
Net income nine months ended September 30, 2010	$ 5,505
Change due to:	
Net interest income	1,614
Provision for loan losses	(345)
Gain on sales of loans and securities	462
Other income	192
Salaries and employee benefits	(818)
Occupancy, furniture and equipment expense, net	(105)
Merger related expenses	(771)
Foreclosed real estate costs	(376)
All other expenses	(306)
Income tax expense	307
Net income nine months ended September 30, 2011	$ 5,359

Net Interest Income

Net interest income on a fully taxable equivalent basis (fte) for the nine months ended September 30, 2011 totaled $17,216,000, an increase of $1,755,000, or 11.3% over the similar period in 2010. The fte net interest spread and net interest margin were 3.80% and 4.03% respectively, compared to 3.72% and 4.05% respectively for the similar period in 2010.

Interest income (fte) totaled $21,154,000 with a yield on average earning assets of 4.95% compared to $20,127,000 and 5.27% for the similar period in 2010. Residential mortgage rates continue to decline causing a portion of the portfolio to refinance at lower rates, while other loan growth at current market rates has also contributed to the decrease in portfolio yield. As a result, the fte yield on average loans in the current period was 5.68% down from 6.02% in the 2010 period. The yield on investment securities also declined 34 basis points reflecting the reinvestment of cash flow, maturities and calls at the current lower rate. Average earning assets totaled $569.3 million for the nine months ended September 30, 2011 an increase of $59.8 million over the similar period in 2010. The growth in average earning assets helped offset the decline in asset yields.

Interest expense for the nine months ended September 30, 2011 totaled $3,938,000 with an average cost of 1.15% compared to $4,666,000 and 1.55% for the 2010 period. The Company reduced rates paid on its deposits by 35 basis points and short-term borrowings by 15 basis points. The cost of time deposits which is the largest component of interest expense was 1.64% for the 2011 period decreasing from 2.08% in 2010. This reflects time deposits maturing and repricing at the current lower rates.

Provision for Loan Losses

The Company's provision for loan losses for the nine months ended September 30, 2011 was $1,075,000 compared to $730,000 for the nine months ended September 30, 2010. The Company makes provisions for loan

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losses in an amount necessary to maintain the allowance for loan losses at an acceptable level. The increase in the provision reflects an increase in net charge-offs during the nine months ended September 30, 2011. Net charge-offs were $1.3 million for the nine months ended September 30, 2011 compared to $670,000 for the similar period in 2010. The increase in charge-offs during the 2011 period is due primarily to one credit which had been carried in nonaccrual status.

Other Income

Other income totaled $3,707,000 for the nine months ended September 30, 2011 compared to $3,053,000 for the similar period in 2010. The current period includes $282,000 in gains on the sale of $8.7 million of residential mortgage loans compared to $208,000 in similar gains on the sales of $10.5 million of mortgage loans in the 2010 period. Gains on the sale investment securities totaled $768,000 on sales of $27.7 million for the 2011 period compared to $380,000 of gains on sales of $23.7 million in the similar 2010 period. The proceeds from investment securities sales were reinvested to improve credit quality in the Company's municipal bond portfolio and to enhance current and future income through coupon payments and cash flow.

Other Expenses

Other expense totaled $11,824,000 for the nine months ended September 30, 2011, an increase of $2,376,000 compared to $9,448,000 for the similar period in 2010. The majority of the increase was due to the acquisition of North Penn, including employment costs and occupancy expenses of five new community offices. An additional $721,000 of merger related costs were incurred in 2011. Salary and benefit costs also increased due to new hires and merit increases. The efficiency ratio for the 2011 period was 56.5% compared to 50.4% in the 2010 period due to the acquisition costs recorded in 2011.

Income Tax Expense

Income tax expense totaled $1,811,000 for an effective tax rate of 25.3% in the 2011 period compared to $2,118,000 and 27.8% in 2010. The decrease in the effective tax rate was principally due to a higher level of tax-exempt income related to purchases of municipal obligations held in the available-for-sale portfolio.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Interest rate sensitivity and the repricing characteristics of assets and liabilities are managed by the Asset and Liability Management Committee (ALCO). The principal objective of ALCO is to maximize net interest income within acceptable levels of risk, which are established by policy. Interest rate risk is monitored and managed by using financial modeling techniques to measure the impact of changes in interest rates.

Net interest income, which is the primary source of the Company's earnings, is impacted by changes in interest rates and the relationship of different interest rates. To manage the impact of the rate changes, the balance sheet must be structured so that repricing opportunities exist for both assets and liabilities at approximately the same time intervals. The Company uses net interest simulation to assist in interest rate risk management. The process includes simulating various interest rate environments and their impact on net interest income. As of September 30, 2011, the level of net interest income at risk in a 200 basis point change in interest rates was within the Company's policy limits. The Company's policy allows for a decline of no more than 8% of net interest income for a ± 200 basis point shift in interest rates.

Imbalance in repricing opportunities at a given point in time reflects interest-sensitivity gaps measured as the difference between rate-sensitive assets (RSA) and rate-sensitive liabilities (RSL). These are static gap measurements that do not take into account any future activity, and as such are principally used as early indications of potential interest rate exposures over specific intervals.

As of September 30, 2011, the Company had a positive 90 day interest sensitivity gap of $77.9 million or 11.5% of total assets, an increase from the $41.3 million or 7.7% of total assets as of December 31, 2010. Rate sensitive assets repricing within 90 days increased $56.7 million due primarily to loans acquired and a higher level of overnight liquidity. Time deposits repricing within 90 days increased $9.4 million, while non-maturity interest bearing balances increased $13.9 million due primarily to the acquisition. Other borrowings decreased $3.2 million due to a net reduction in Federal Home Loan Bank advances. A positive gap means that rate-sensitive assets are greater than rate-sensitive liabilities at the time interval. This would indicate that in a rising rate environment, the yield on interest-earning assets could increase faster than the cost of interest-bearing liabilities in the 90 day time frame. The repricing intervals are managed by ALCO strategies, including adjusting the average life of the investment portfolio, pricing of deposit liabilities to attract longer term time deposits, loan pricing to encourage variable rate products and evaluation of loan sales of long-term fixed rate mortgages.

September 30, 2011
Rate Sensitivity Table
(dollars in thousands)

	3 Months	3-12 Months	1 to 3 Years	Over 3 Years	Total
Federal funds sold and interest bearing deposits	$25,577	$-	$-	$-	$25,577
Securities	14,019	24,900	44,996	61,990	145,905
Loans Receivable	124,154	86,308	154,585	89,785	454,832
Total RSA	163,750	111,208	199,581	151,775	626,314
Non-maturity interest-bearing deposits	39,128	43,320	115,420	44,001	241,869
Time Deposits	39,381	71,990	67,370	27,403	206,144
Other	7,359	10,722	23,895	17,716	59,692
Total RSL	85,868	126,032	206,685	89,120	507,705
Interest Sensitivity Gap	$77,882	$(14,824)	$(7,104)	$62,655	$118,609
Cumulative Gap	77,882	63,058	55,954	118,609	
RSA/RSL-cumulative	210.2%	129.8%	113.4%	123.4%	
December 31, 2010					
Interest Sensitivity Gap	$41,341	$(33,613)	$10,969	$92,050	$110,747
Cumulative Gap	41,341	7,728	18,697	110,747	
RSA/RSL-cumulative	162.9%	103.9%	105.5%	127.5%	

Item 4. Controls and Procedures

The Company's management evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There were no changes in the Company’s internal control over financial reporting that occurred during the Company’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

Item 1A. Risk Factors

There have been no material changes in the risk factors affecting the Company that were identified in Item 1A of Part 1 of the Company's Form 10-K for the year ended December 31, 2010.

Item 2. Unregistered Sales of Equity Sales and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Removed and Reserved

Item 5. Other Information

None

Item 6. Exhibits

No.	Description
3(i)	Articles of Incorporation of Norwood Financial Corp.(1)
3(ii)	Bylaws of Norwood Financial Corp. (2)
4.0	Specimen Stock Certificate of Norwood Financial Corp. (1)
10.1	Employment Agreement with Lewis J. Critelli (2)
10.2	Change in Control Severance Agreement with William S. Lance(2)
10.3	Norwood Financial Corp. Stock Option Plan (4)
10.4	Salary Continuation Agreement between the Bank and William W. Davis, Jr. (3)
10.5	Salary Continuation Agreement between the Bank and Lewis J. Critelli (3)
10.6	Salary Continuation Agreement between the Bank and Edward C. Kasper (3)
10.7	1999 Directors Stock Compensation Plan (3)
10.8	Salary Continuation Agreement between the Bank and Joseph A. Kneller (5)
10.9	Salary Continuation Agreement between the Bank and John H. Sanders (5)
10.10	2006 Stock Option Plan (6)
10.11	First and Second Amendments to Salary Continuation Agreement with William W. Davis, Jr. (7)
10.12	First and Second Amendments to Salary Continuation Agreement with Lewis J. Critelli (7)
10.13	First and Second Amendments to Salary Continuation Agreement with Edward C. Kasper (7)
10.14	First and Second Amendments to Salary Continuation Agreement with Joseph A. Kneller (7)
10.15	First and Second Amendments to Salary Continuation Agreement with John H. Sanders (7)
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO

32	Certification pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of Sarbanes Oxley Act of 2002
101.INS	XBRL Instance Document *

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101.SCH	XBRL Schema Document *
101.CAL	XBRL Calculation Linkbase Document *
101.LAB	XBRL Labels Linkbase Document *
101.PRE	XBRL Presentation Linkbase Document *
101.DEF	XBRL Definition Linkbase Document *

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* Submitted as Exhibits 101 to this Form 10-Q are documents formatted in XBRL (Extensible Business Reporting Language). Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

(1) Incorporated herein by reference into this document from the Exhibits to Form 10, Registration Statement initially filed with the Commission on April 29, 1996, Registration No. 0-28364

(2) Incorporated by reference into this document from the identically numbered exhibits to the Registrant's Form 10-K filed with the Commission on March 15, 2010.

(3) Incorporated herein by reference to the identically numbered exhibits of the Registrant's Form 10-K filed with the Commission on March 23, 2000.

(4) Incorporated by reference into this document from the Exhibits to Form S-8 filed with the Commission on August 14, 1998, File No. 333-61487.

(5) Incorporated herein by reference to the identically numbered exhibit to the Registrant's Form 10-K filed with the Commission on March 22, 2004.

(6) Incorporated by reference to this document from Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (File No. 333-134831) filed with the Commission on June 8, 2006.

(7) Incorporated herein by reference from the Exhibits to the Registrant's Current Report on Form 8-K filed on April 4, 2006.

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.

		NORWOOD FINANCIAL CORP.	
Date:	November 8, 2011	By:	/s/ Lewis J. Critelli Lewis J. Critelli President and Chief Executive Officer (Principal Executive Officer)
Date:	November 8, 2011	By:	/s/ William S. Lance William S. Lance Senior Vice President, and Chief Financial Officer (Principal Financial Officer)

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