

UNITED SECURITY BANCSHARES  
Form DEF 14A  
April 24, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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  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

United Security Bancshares

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(Name of Registrant as Specified In Its Charter)

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(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)(4) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  
  - (2) Aggregate number of securities to which transaction applies:
  
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.. 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.:

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United Security Bancshares

Proxy Statement

Annual Meeting of Shareholders

May 16, 2012

Introduction

This proxy statement is furnished in connection with the solicitation of proxies for use at the 2012 annual meeting of shareholders of United Security Bancshares (also referred as to the “Company”) to be held on Wednesday, May 16, 2012 at 7:00 p.m. at the Company’s corporate offices at 2126 Inyo Street, Fresno, California, and at any and all adjournments thereof.

It is anticipated that this proxy statement and the accompanying notice and form of proxy will be mailed on or about April 16, 2012 to shareholders eligible to receive notice of, and to vote at, the meeting. This Proxy Statement and the 2011 Annual Report to Stockholders are also available at <http://unitedsecuritybancshares2012.investorroom.com>.

General Information

**Voting By Proxy.** Whether or not you plan to attend the annual meeting, you may submit a proxy to vote the shares registered in your name via Internet, telephone or mail as more fully described below:

**By Internet:** Go to [www.eproxy.com/ubfo](http://www.eproxy.com/ubfo) and follow the instructions. You will need information from your proxy card or electronic delivery notice to submit your proxy.

**By Telephone:** Call 1.800.560.1965 and follow the voice prompts. You will need information from your proxy card or electronic delivery notice to submit your proxy.

**By Mail:** Mark your vote, sign your name exactly as it appears on your proxy card, date your proxy card and return it in the envelope provided.

If a bank, broker or other nominee holds your shares, you will receive voting instructions directly from the holder of record. All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via Internet or telephone. If you properly submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board’s recommendations “FOR”:

**Proposal 1:** Election of ten persons named in this proxy statement to the board of directors of the Company to serve until the 2013 Annual Meeting of Shareholders and until their successors are elected and have been qualified; and

**Proposal 2:** Ratification of Moss Adams LLP as the Company’s registered independent public accounting firm for 2012.

If other matters properly come before the annual meeting, the persons appointed to vote the proxies will vote on such matters in accordance with their best judgment. Such persons also have discretionary authority to vote to adjourn the annual meeting, including for the purpose of soliciting proxies to vote in accordance with the Board's recommendations on any of the above items.

#### Revocability of Proxies

You may revoke your proxy at any time before it is exercised by:

written notice of revocation delivered to the Corporate Secretary;

a properly executed proxy of a later date mailed to the Company;

casting a new vote by telephone or Internet; or

voting in person at the annual meeting.

#### Persons Making the Solicitation

This solicitation of proxies is made by the board of directors of United Security Bancshares. The expense of preparing, assembling, printing and mailing this proxy statement and the materials used in the solicitation of proxies for the meeting will be borne by United Security Bancshares. It is contemplated that proxies will be solicited principally through the use of the mail, but directors, officers and employees of United Security Bancshares may solicit proxies personally or by telephone, without receiving special compensation.

#### Voting Securities

There were issued and outstanding 13,531,832 shares of United Security Bancshares' common stock on March 28, 2012, which has been fixed as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, the meeting. On any matter submitted to the vote of the shareholders, each holder of United Security Bancshares' common stock will be entitled to one vote, in person or by proxy, for each share of common stock he or she held of record on the books of United Security Bancshares as of the record date. In connection with the election of directors, shares may be voted cumulatively if a shareholder present at the meeting gives notice at the meeting, prior to the voting for election of directors, of his or her intention to vote cumulatively. If any shareholder of United Security Bancshares gives such notice, then all shareholders eligible to vote will be entitled to cumulate their shares in voting for election of directors. Cumulative voting allows a shareholder to cast a number of votes equal to the number of shares held in his or her name as of the record date, multiplied by the number of directors to be elected. These votes may be cast for any one nominee, or may be distributed among as many nominees as the shareholder sees fit. If cumulative voting is declared at the meeting, votes represented by proxies delivered pursuant to this proxy statement may be cumulated in the discretion of the proxyholders, in accordance with management's recommendation. The effect of broker non-votes is that such votes are not counted as being voted; however such votes are counted for purposes of determining a quorum. The effect of a vote of abstention on any matter is that such vote is not counted as a vote for or against the matter, but is counted as an abstention.

Shareholdings of Certain  
Beneficial Owners and Management

Management of United Security Bancshares knows of no person who owns, beneficially or of record, either individually or together with associates, five percent (5%) or more of the outstanding shares of United Security Bancshares' common stock, except as set forth in the table below. The following table sets forth, as of March 1, 2012, the number and percentage of shares of United Security Bancshares' outstanding common stock beneficially owned, directly or indirectly, by each of United Security Bancshares' directors, named executive officers and principal shareholders and by the directors and executive officers of United Security Bancshares as a group. The shares "beneficially owned" are determined under Securities and Exchange Commission Rules, and do not necessarily indicate ownership for any other purpose. In general, beneficial ownership includes shares over which the director, named executive officer or principal shareholder has sole or shared voting or investment power and shares which such person has the right to acquire within 60 days of March 1, 2012. Unless otherwise indicated, the persons listed below have sole voting and investment powers of the shares beneficially owned. Management is not aware of any arrangements that may, at a subsequent date, result in a change of control of United Security Bancshares.

Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class	(1)
Directors and Named Executive Officers:				
Robert G. Bitter, Pharm. D.	265,649	(2 )	1.9	%
Rhodlee A. Braa	182,554	(3 )	1.3	%
Stanley J. Cavalla	620,875	(4 )	4.5	%
Kenneth L. Donahue	311,355	(5 )	2.3	%
Tom Ellithorpe	131,914	(6 )	1.0	%
David L. Eytcheson	198,462	(7 )	1.5	%
R. Todd Henry	50,096	(8 )	0.4	%
Ronnie D. Miller	239,621	(9 )	1.8	%
Robert M. Mochizuki	104,987	(10 )	0.8	%
Walter Reinhard	619,816	(11 )	4.5	%
Richard Shupe	65,046	(12 )	0.5	%
John Terzian	192,260	(13 )	1.4	%
Dennis R. Woods	1,007,810	(14 )	7.4	%
Michael T. Woolf, D. D. S.	84,291	(15 )	0.6	%
All Directors and Executive Officers as a Group (14 in all)	4,066,199		29.8	%
Principal Shareholder				
Audry "Bobbi" Thomason	788,793	(16 )	5.8	%

\* Less than one percent (1%).

- (1) Includes shares subject to options held by the directors and executive officers that were exercisable within 60 days of March 1, 2012. These are treated as issued and outstanding for the purpose of computing the percentage of each director, named executive officer and the directors and executive officers as a group, but not for the purpose of computing the percentage of class owned by any other person.

(Footnotes continued on next page)

- (2) Dr. Bitter has shared voting and investment powers as to 228,414 of these shares. Dr. Bitter also disclaims ownership of 37,262 of these shares held by the IRA of his spouse.

- (3) Mr. Braa has shared voting and investment powers as to 55,990 of these shares.
- (4) Mr. Cavalla has shared voting powers as to 323,677 of these shares and shared investment powers as to 376,029 of these shares. Mr. Cavalla also disclaims ownership of 228 of these shares held by the IRA of his spouse.
- (5) Mr. Donahue has shared voting and investment powers as to 308,881 of these shares.
- (6) Mr. Ellithorpe has shared voting powers as to 13,862 shares and shared investment powers as to 16,271 shares.
- (7) Mr. Eytcheson has shared voting and investment powers as to 198,462 of these shares.
- (8) Mr. Henry has 6,896 shares acquirable by exercise of stock options.
- (9) Mr. Miller has shared voting and investment powers as to 215,293 of these shares.
- (10) Mr. Mochizuki has shared voting and investment powers as to 93,038 shares and has 11,949 shares acquirable by exercise of stock options. Mr. Mochizuki also disclaims ownership of 1,489 of these shares held by the IRA of his spouse and 16,870 of these shares held by his son
- (11) Mr. Reinhard disclaims ownership of 7,200 of these shares for which he has beneficial ownership as a custodian for minors.
- (12) Mr. Shupe has 47,761 shares acquirable by exercise of stock options.
- (13) Mr. Terzian has shared voting and investment powers as to 178,835 of these shares. Mr. Terzian disclaims ownership of 39,320 shares for which he has beneficial ownership as custodian for his daughter and his wife's IRA.
- (14) Mr. Woods has shared voting and investment powers as to 734,584 of these shares, and has 57,474 shares acquirable by exercise of stock options. Mr. Woods disclaims beneficial ownership of 53,310 shares that he has beneficial ownership as a custodian for minors. Mr. Woods' address is c/o United Security Bancshares, 2126 Inyo Street, Fresno, California 93721.
- (15) Mr. Woolf disclaims ownership of 1,906 of these shares held by the IRA of his spouse and 30 of these shares held by his son.
- (16) Ms. Thomason's address is c/o United Security Bancshares, 2126 Inyo Street, Fresno, California 93721.

#### Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires United Security Bancshares' directors and certain executive officers and persons who own more than ten percent of a registered class of United Security Bancshares' equity securities (collectively, the "Reporting Persons"), to file reports of ownership and changes in ownership with the Securities and Exchange Commission. The Reporting Persons are required by Securities and Exchange Commission regulation to furnish United Security Bancshares with copies of all Section 16(a) forms they file.

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Based solely on its review of the copies of such forms received by it, or written representations from the Reporting Persons that no Forms 4 or 5 were required for those persons, United Security Bancshares believes that, during 2011 the Reporting Persons complied with all filing requirements applicable to them, except Mr. Ronnie Miller, and Mr. Stanley Cavalla, each whom inadvertently filed one Form 4 late and Mr. Mike Wolf, whom inadvertently filed eight Form 4's late.



## The Board of Directors and Committees

United Security Bancshares' board of directors met 12 times in 2011. None of United Security Bancshares' directors attended less than 75 percent of all board of directors' meetings and committee meetings of which they were a member, with the exception of Mr. Todd Henry, who was unable to attend several meetings due to medical restrictions. United Security Bancshares has a standing Audit Committee, Compensation Committee and Corporate Governance Committee/Nominating Committee.

## Corporate Governance Principles and Board Matters

United Security Bancshares is committed to having sound corporate governance principles that are important to the way United Security Bancshares manages its business and to maintaining United Security Bancshares' integrity in the marketplace. The United Security Bancshares' Corporate Governance Principles are available at <http://www.unitedsecuritybank.com>. Click "About Us" and then "Governance."

## Board and Audit Committee Independence

The Board has determined that, with the exception of Mr. Dennis Woods, all of the directors standing for reelection are "independent" within the meaning of the listing standards set by the Nasdaq Stock Market, Inc. ("NASDAQ") and the Securities and Exchange Commission ("SEC"), as currently in effect and as they may be changed from time to time. Furthermore, the Board has determined that each of the current members of the Audit Committee is "independent" within such director independence standards and that each member of the Audit Committee satisfies the financial literacy requirements set forth under Rule 4350(d)(2) of the NASDAQ Rules.

## Leadership Structure of Board

The Bylaws of United Security Bancshares permit the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be combined or separated based upon our needs and the Board's assessment of its leadership from time to time. The Corporate Governance Committee/Nominating Committee reviews the structure of Board and United Security Bancshares' leadership as part of the succession planning process.

The Board believes that United Security Bancshares and its shareholders are best served at this time by having Mr. Dennis Woods serve as our Chairman and CEO. Combining the roles of Chairman and CEO makes clear that we have a single leader who is directly accountable to the Board and, through the Board, to our shareholders. It establishes one voice who speaks for United Security Bancshares to customers, employees, shareholders and other stakeholders. This structure reinforces Mr. Wood's overall responsibility for United Security Bancshares' business and strategy, under the oversight and subject to the review of the Board. This structure also enables Mr. Woods to act as the key link between the Board and other members of management and facilitates an efficient management process.