

FIRST MARINER BANCORP
Form DEF 14A
April 03, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

FIRST MARINER BANCORP
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- | | |
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| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
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- Fee paid previously with preliminary materials.
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| (1) | Amount Previously Paid: |
| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party: |
| (4) | Date Filed: |

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held Tuesday, May 1, 2007, AT 7:00 A.M.

at

CLARENCE DU BURNS ARENA

1301 South Ellwood Avenue

Baltimore, Maryland 21224

The Annual Meeting of Stockholders of First Mariner Bancorp, a Maryland corporation, will be held on May 1, 2007, at 7:00 a.m., local time, at CLARENCE DU BURNS ARENA, 1301 South Ellwood Avenue, Baltimore, Maryland 21224 to consider and vote upon:

1. The election of four directors to serve until the Annual Meeting of Stockholders to be held in 2010, and until their successors are duly elected and qualified.
2. To consider and act on a stockholder proposal regarding the separation of the positions of Chairman of the Board and Chief Executive Officer.
3. Any other matters that may properly come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on March 23, 2007 will be entitled to notice of and to vote at the meeting or any adjournment thereof. Accompanying this notice is a proxy statement and proxy card. Whether or not you plan to attend the meeting, please indicate your choices on the matters to be voted upon, date and sign the enclosed proxy and return it to our transfer agent, American Stock Transfer & Trust Company, in the enclosed postage-paid return envelope. You may revoke your Proxy at any time prior to or at the meeting by voting at the meeting or by timely and proper delivery prior to the meeting of a duly executed later-dated proxy.

You are cordially invited to attend the meeting in person.

By Order of the Board of Directors,
Eugene A. Friedman
SECRETARY

March 30, 2007

FIRST MARINER BANCORP

1501 South Clinton Street

Baltimore, Maryland 21224

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Tuesday, May 1, 2007 AT 7:00 A.M.

SOLICITATION AND REVOCATION OF PROXIES

The enclosed proxy is solicited by the Board of Directors of First Mariner Bancorp (the Company or Bancorp) for use at the Annual Meeting of Stockholders (the Meeting) to be held on May 1, 2007 at CLARENCE DU BURNS ARENA, 1301 South Ellwood Avenue, Baltimore, Maryland 21224. The proxy is revocable at any time prior to or at the Meeting by voting at the Meeting or by timely and proper delivery prior to the Meeting of a duly executed later-dated proxy. In addition to solicitation by mail, proxies may be solicited by officers, directors and employees of the Company who will not be specifically compensated for soliciting such proxies. The cost of soliciting proxies will be borne by the Company and may include reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners. Brokers and other persons will be reimbursed for their reasonable expenses in forwarding proxy materials to beneficial owners of the common stock of the Company registered in names of nominees. This proxy material is being sent to the Company's stockholders on or about March 30, 2007.

OUTSTANDING SHARES AND VOTING RIGHTS

Stockholders of record at the close of business on March 23, 2007 (the Record Date) are entitled to notice of and to vote at the Meeting. As of the close of business on that date, there were outstanding and entitled to vote 6,421,225 shares of common stock, \$.05 par value (Common Stock), each of which is entitled to one vote.

The presence, in person or by proxy, of stockholders entitled to cast a majority of all votes entitled to be cast at the Meeting shall constitute a quorum. The affirmative vote of a majority of all shares voted at the Meeting is sufficient to carry motions presented with respect to Proposals One and Two, described in this Proxy Statement. An abstention or broker non-vote is included for purposes of determining the presence or absence of a quorum for the transaction of business but is not included in calculating votes cast with respect to the Proposals. The Company designates individuals to serve as the Inspectors of Elections for purposes of tallying shares voted who will be present at the Meeting.

All proxies will be voted as directed by the stockholder on the proxy card. A proxy, if executed and not revoked, will be voted in the following manner (unless it contains instructions to the contrary, in which event it will be voted in accordance with such instructions):

- FOR the nominees for directors named below.
- AGAINST the stockholder proposal to separate the positions of Chairman of the Board and Chief Executive Officer.
- If other matters are properly presented at the meeting, persons named as the proxies will have discretion to vote on those matters according to their best judgment.

If you do not indicate how your shares should be voted on a matter, the shares represented by your properly completed proxy will be voted as the Board of Directors recommends.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following sets forth information as of the Record Date relating to the beneficial ownership of the Common Stock by (i) each person or group known by the Company to own beneficially more than five percent (5%) of the outstanding Common Stock; (ii) each of the Company's directors and director nominees; and (iii) all directors and executive officers of the Company as a group. Unless otherwise noted below, the persons named in the table have sole investment powers with respect to each of the shares reported as beneficially owned by such person. Except as otherwise noted, the address of each person named below is the address of the Company.

| Name and Address | Number of Shares | Percent of Class (1) |
|--|------------------|----------------------|
| Edwin F. Hale, Sr. (2) | 1,412,941 | 21.21 % |
| Barry B. Bondroff (3) | 60,842 | * |
| Thomas L. Bromwell (4) | 2,240 | * |
| Edith B. Brown (5) | 6,252 | * |
| John Brown III (6) | 4,400 | |
| Robert Caret (7) | 800 | * |
| Joseph A. Cicero (8) | 129,505 | 1.99 % |
| Howard Friedman (9) | 31,100 | |
| George H. Mantakos (10) | 115,704 | 1.78 % |
| John P. McDaniel (11) | 1,000 | * |
| John J. Oliver, Jr. (12) | 5,650 | * |
| Patricia Schmoke, MD (13) | 4,700 | * |
| Hector Torres (14) | 3,200 | * |
| Michael R. Watson (15) | 10,335 | * |
| Mark A. Keidel (16) | 81,040 | 1.25 % |
| All directors and executive officers as a group (15 persons)(17) | 1,869,709 | 27.06 % |
| Jeffrey L. Gendell (18) | 507,946 | 7.91 % |
| Tontine Partners, L.P. Tontine Management L.L.C. Tontine Financial Partners L.P. Tontine Overseas Associates, L.L.C 237 Park Avenue Suite 900 New York, New York 10012 | | |
| Wellington Management Company, LLP (19) 75 State Street Boston, Massachusetts 02109 | 579,672 | 9.03 % |
| Banc Fund V L.P. (20) 208 S. LaSalle Street Chicago, Illinois 60604 | 379,109 | 5.90 % |

(1) Includes shares of Common Stock subject to options held by the named individual, which are exercisable as of or within 60 days of March 23, 2007.

- (2) Includes 11,664 shares in his Individual Retirement Account; and options to purchase 240,000 shares.
- (3) Includes 39,242 shares in his Individual Retirement Account, and 9,450 shares held jointly with his wife; and options to purchase 12,150 shares.
- (4) Includes 40 shares held jointly with his wife, and options to purchase 2,200 shares.
- (5) Includes 2,002 shares owned by her husband in which she may be deemed to have beneficial ownership, and options to purchase 4,250 shares.
- (6) Includes options to purchase 4,100 shares.
- (7) Includes options to purchase 600 shares.
- (8) Includes options to purchase 87,500 shares.
- (9) Includes 40 shares owned jointly with his wife and options to purchase 3,000 shares.
- (10) Includes 34,900 shares held in his Individual Retirement Account, and options to purchase 70,000 shares.
- (11) Includes options to purchase 500 shares.
- (12) Includes options to purchase 5,550 shares.
- (13) Includes options to purchase 4,600 shares.
- (14) Includes options to purchase 2,600 shares.
- (15) Includes 1,535 shares held jointly with his wife and options to purchase 8,800 shares.
- (16) Includes options to purchase 43,000 shares.
- (17) Includes options to purchase 488,850 shares.
- (18) As reported by Jeffrey L. Gendell, Tontine Partners, L.P. (TP), Tontine Financial Partners, L.P. (TFP), Tontine Management, L.L.C. (TM) and Tontine Overseas Associates, L.L.C. (TOA) in a Schedule 13D/A, filed June 19, 2002 with the SEC, which reported shared power to vote or direct the vote of the shares. Each of TP and TFP is a private investment limited partnership. TM is the general partner of TP and TFP. TOA is an investment advisor engaging in the purchase and sale of securities on behalf of its clients. Mr. Gendell serves as the managing member of TM and TOA.
- (19) As of December 31, 2006, the most recent public information available filed on Schedule 13G/A on February 14, 2007 by Wellington Management Company, LLP (Wellington Management). Wellington Management in its capacity as an investment adviser, may be deemed to have beneficial ownership of 579,672 shares of common stock that are owned by numerous investment advisory clients, none of which is known to have such interest with respect to more than five percent of the class of shares. Wellington Management has shared voting authority over 579,672 shares and shared dispositive power over 579,672 shares. Wellington Management is a registered investment adviser under the Investment Advisers Act of 1940, as amended.

(20) As of December 31, 2006, the most recent public information available filed on Schedule 13G on February 13, 2007 by Banc Fund V L.P. (Banc Fund V). Banc Fund V is deemed to have beneficial ownership of 379,109 and has sole voting authority over 379,109 shares and dispositive power over 379,109 shares. The reporting persons include Banc Fund V L.P., Banc Fund VI L.P. and Banc Fund VII L.P.

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**Proposal One:
ELECTION OF DIRECTORS**

The Board proposes the election of the four directors named below, to hold office for a three-year term until the Annual Meeting of Stockholders to be held in the year 2010, or in the case of Edith B. Brown until she reaches the mandatory retirement age of 75, and until the election and qualification of their successors. All of the nominees are currently directors of the Company. The directors whose terms have not expired will continue to serve as directors until the expiration of their respective terms in accordance with the Company's Charter and By-Laws. It is not contemplated that any of the nominees will become unavailable to serve, but if that should occur before the Meeting, proxies that do not withhold authority to vote for the nominees listed below will be voted for another nominee, or nominees, selected by the Board of Directors. The Board of Directors of the Company recommends that stockholders vote **FOR** election of all nominees.

Information concerning the persons nominated for election and for those directors whose term of office will continue after the Meeting is set forth below.

Nominees for Election

Term to Expire in 2010

| Name | Age | Director Since |
|--------------------|------------|-----------------------|
| Edith B. Brown | 73 | 1998 |
| George H. Mantakos | 64 | 1994 |