

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

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): August 24, 2022

TOWNE BANK

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

35095
(FDIC Insurance Cert. No.)

54-1910608
(IRS Employer
Identification No.)

5716 High Street
Portsmouth, Virginia
(Address of principal executive offices)

23703
(Zip Code)

(Registrant's telephone number, including area code): **(757) 638-7500**

No change

(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:

- ☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$1.667 per share	TOWN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On August 24, 2022, the Board of Directors (the “Board”) of TowneBank (the “Company”) appointed William (Billy) I. Foster, III to succeed J. Morgan Davis when he steps down as Chief Executive Officer on December 31, 2022. Mr. Davis will remain with the Company in a senior advisory role to assist with the CEO transition process until March 31, 2023 when he plans to retire. Mr. Davis will continue to serve on the Board and, following his retirement, will serve as an executive consultant focused on mergers and acquisitions, member relations and other special projects.

Mr. Foster, age 66, joined the Towne family in 2004 as Regional President to lead the Company’s expansion into the Norfolk, Virginia community. Since that time he has served in several executive roles, including his current role as President of the Company’s banking markets in Central Virginia and North Carolina since 2020. Mr. Foster also serves on the Company’s Board. Prior to joining TowneBank, he served as the Eastern Region President of Central Fidelity Bank. Mr. Foster attended Old Dominion University, earning a BS in Business Administration, and the College of William and Mary, earning an MBA. There are no family relationships between Mr. Foster and any director or executive officer of the Company or relationships or related transactions between Mr. Foster and the Company that are required to be reported.

The Company’s Compensation Committee plans to review and adjust the compensation arrangements and employment agreement of Mr. Foster as appropriate considering his new position, and to authorize the Company to enter into an advisory services agreement with Mr. Davis related to his role and compensation following the CEO succession date and his later retirement. The Company intends to file copies of the relevant agreements and a summary of the material terms of such arrangements promptly following their adoption.

A copy of the press release announcing the CEO succession is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated August 26, 2022

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 hereunto duly authorized.

TowneBank
(Registrant)

Date: August 30, 2022

By: /s/ William B. Littreal
William B. Littreal
Senior Executive Vice President
and Chief Financial Officer



News Release

FOR IMMEDIATE RELEASE

TOWNEBANK NAMES CHIEF EXECUTIVE OFFICER SUCCESSOR

Suffolk, Va. (August 26, 2022) – Hampton Roads based TowneBank (the “Company” or “Towne”) (NASDAQ: TOWN) announced today that its Board of Directors selected William (Billy) I. Foster, III to succeed J. Morgan Davis when he steps down as Chief Executive Officer on December 31, 2022. Mr. Davis, who plans to retire on March 31, 2023 after assisting with the transition process, will continue to serve on the Board of Directors of the Company and as an executive consultant focused on mergers and acquisitions, member relations and other special projects. This announcement follows a months-long process led by a special committee formed by the Board to direct the search for Mr. Davis’ successor and to conduct a comprehensive review and assessment of the Company’s long-term management succession plan for its senior leadership management structure.

Mr. Foster joined the Towne family in 2004 as Regional President to lead the Bank’s expansion into the Norfolk community. Since that time he has served in several executive roles, including his current role as President of the Bank’s markets in Central Virginia and North Carolina. Prior to joining Towne, he served as the Eastern Region President of Central Fidelity Bank.

“Billy’s extraordinary leadership style is deeply rooted in the Towne culture of caring that serves as the foundation of our long-term success. His stellar record of achievement throughout his career stands as tribute to his warm, welcoming nature that is a hallmark of great community bankers. Rest assured, the future strategic direction of our Company will be to maintain a steady, conservative course while reaching for new and exciting horizons,” said G. Robert Aston, Jr., Executive Chairman.

“I am excited about our future and look forward to working alongside Billy, our President Brad Schwartz and our phenomenal executive leadership team in continuing to serve our communities while creating value for our shareholder partners,” Aston further stated.

“The impact Morgan Davis has made on the culture of our Company and the success we have achieved cannot be overstated. I look forward to working with Bob and the entire management team as we look to the future while remaining true to our culture of caring for others and enriching lives – in every community we serve,” added Mr. Foster.

Mr. Foster attended Old Dominion University, earning a BS in Business Administration with a major in Accounting and also earned an MBA from the College of William and Mary.

He and his wife Beth have three children and reside in Virginia Beach, VA.

About TowneBank:

Founded in 1999, TowneBank is a company built on relationships, offering a full range of banking and other financial services, with a focus of serving others and enriching lives. Dedicated to a culture of caring, Towne values all employees and members by embracing their diverse talents, perspectives, and experiences.

Today, the bank operates over 40 banking offices throughout Hampton Roads and Central Virginia, as well as Northeastern and Central North Carolina – serving as a local leader in promoting the social, cultural, and economic growth in each community. Towne offers a competitive array of business and personal banking solutions, delivered with only the highest ethical standards. Experienced local bankers providing a higher level of expertise and personal attention with local decision-making are key to the TowneBank strategy. Towne has grown its capabilities beyond banking to provide expertise through its controlled divisions and subsidiaries that include Towne Wealth Management, Towne Insurance Agency, Towne Benefits, TowneBank Mortgage, TowneBank Commercial Mortgage, Berkshire Hathaway HomeServices Towne Realty, Towne 1031 Exchange, LLC, and Towne Vacations. With total assets of \$16.86 billion as of June 30, 2022, TowneBank is one of the largest banks headquartered in Virginia.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and its management team regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of TowneBank. Forward-looking statements may be identified by the use of such words as: “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or words of similar meaning, or future or conditional terms, such as “will,” “would,” “should,” “could,” “may,” “likely,” “probably,” or “possibly.” These statements may address issues that involve significant risks, uncertainties, estimates, and assumptions made by management. In addition, these forward-looking statements are subject to various risks, uncertainties, and assumptions with respect to future business strategies and decisions that are subject to change and difficult to predict with regard to timing, extent, likelihood, and degree of occurrence.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in TowneBank’s reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the FDIC and available on the Securities Exchange Act Filing website maintained by the FDIC at <https://efr.fdic.gov/fcxweb/efr/index.html>.

Media contact:

G. Robert Aston, Jr., Executive Chairman, 757-638-6780
J. Morgan Davis, Chief Executive Officer, 757-673-1673

Investor contact:

William B. Littreal, Chief Financial Officer, 757-638-6813