

Village Bank & Trust Financial Corp.  
Form DEFA14A  
April 09, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

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

**VILLAGE BANK AND TRUST FINANCIAL CORP.**

**(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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(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.

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.

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4) Date Filed:

April 8, 2019

Dear Shareholder,

During the second half of 2018, we hit our stride. Over the four quarters of 2018, we successfully combined strong loan and deposit growth with net interest margin expansion and stable noninterest expenses to produce substantial growth in pretax income. The reduction in the corporate tax rates made a good year even better. The result was record pretax earnings for the Company, 154% growth in pretax earnings over 2017, and a return on average equity of 10.96% for the second half of the year.

We intend to build on this positive momentum during 2019. Our fourth quarter earnings release described actions we took during the fourth quarter of 2018 to control expenses and grow earnings in the coming year. We will have to accomplish our objectives in an economic environment that has slowed noticeably from the strong pace we were experiencing during most of 2018, but businesses are still growing and borrowing. We expect to take share from our larger competitors who are going through mergers and strategy changes. We are optimistic about 2019.

Our Williamsburg Advisory Board has been a significant factor in our early success in that market. As previously noted, we have been earning a profit in that market since August of 2018. We hired the right people for our team, and they put together an Advisory Board that is exceptionally well respected in the community and working on our behalf to make us visible and to bring us business. Congratulations to Bill Carr (our Peninsula market President), Channing Hall (our Advisory Board Chair) and Bill Hamner (our Advisory Board Vice Chair) and their associates on the excellent first full year of operations.

We have a corporate board that is functioning at a very high level right now. Over the past two years, we have reduced the size of our board and welcomed two new directors. The fresh perspectives of our new directors have helped us look at opportunities and challenges in a different light. All of this has been healthy for us and is helping our board execute its governance role and support our growth objectives.

We have intensified the board's work in generating business referrals, and we have built a robust risk management process that includes a bank-level Board Risk Committee on which all members serve. We would like to acknowledge the work of Randy Whittmore and Jay Hendricks in standing up the Board Risk Committee. Randy serves as the Chair of this committee and has made an enormous commitment of time to his board duties. As our Chief Risk Officer and Chief Operating Officer, Jay has been the lead architect of our enterprise risk management process. His is an unusual talent to have in a community bank. He does the heavy lifting for the Board Risk Committee for our management team. The risk management work of a community bank is more complicated and mission critical than ever. It is essential that we do it well and that we have smart, disciplined people on point for our efforts. We are fortunate to have Jay and Randy involved in this work.

As we acknowledged in our fourth quarter earnings release, we still have work to do to produce the consistent high returns and sustainable earnings growth we aspire to achieve. We expect to make more progress in 2019.

We hope to see you at the shareholders meeting on May 21, 2019, and thank you for your continued support.

Regards,

William G. Foster  
President and Chief Executive Officer

Craig D. Bell  
Chairman, Board of Directors

### **Forward-Looking Statements**

In addition to historical information, this letter may contain forward-looking statements. For this purpose, any statement that is not a statement of historical fact may be deemed to be a forward-looking statement. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, and actual results could differ materially from historical results or those anticipated by such statements. There are many factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, but not limited to, changes in interest rates, the effects of future economic, business and market conditions, legislative and regulatory changes, governmental monetary and fiscal policies, changes in accounting policies, rules and practices, and other factors described from time to time in our reports filed with the Securities and Exchange Commission (“SEC”). For further information, contact Donald M. Kaloski, Jr., Executive Vice President and Chief Financial Officer, at 804-897-3900 or [dkaloski@villagebank.com](mailto:dkaloski@villagebank.com).

### **Additional Information**

This letter may be deemed to be solicitation material in respect of the Company’s 2019 annual meeting of shareholders. The Company filed a definitive proxy statement with the SEC on April 8, 2019 in connection with the annual meeting. Shareholders are urged to read the proxy statement and any other relevant documents that the Company files with the SEC because they will contain important information. The Company, its directors and certain of its executive officers will be participants in the solicitation of proxies from shareholders in connection with the annual meeting. Information about the Company’s directors and executive officers is included in the proxy statement. Investors and shareholders may obtain a copy of the proxy statement and other documents filed by the Company free

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of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). Shareholders may obtain a copy of the proxy statement free of charge by writing to the Company's Corporate Secretary, Deborah M. Golding, whose address is P.O. Box 330, Midlothian, Virginia, 23113-0330, or from the Company's website at [www.villagebank.com](http://www.villagebank.com).