

CADENCE FINANCIAL CORP

Form DEFM14A

November 03, 2010

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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

Cadence Financial Corporation

(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):

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☐ No fee required.

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(2) Aggregate number of securities to which transaction applies:

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MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Cadence Shareholders:

You are cordially invited to attend the special meeting of shareholders of Cadence Financial Corporation (Cadence) to be held on Thursday, December 9, 2010 at 10:00 a.m. (local time) at 301 University Drive, Starkville, Mississippi 39759.

At this special meeting, you will be asked to consider and vote on the approval of the Agreement and Plan of Merger entered into on October 6, 2010 by Cadence and Community Bancorp LLC (CBC), pursuant to which a wholly-owned subsidiary of CBC will be merged with and into Cadence, with Cadence continuing thereafter as a wholly-owned subsidiary of CBC. If the merger is completed, each outstanding share of Cadence common stock will be converted into the right to receive \$2.50 in cash, without interest and less any applicable withholding taxes (other than shares of Cadence common stock held by Cadence or CBC, which will be cancelled without payment). In addition, CBC has offered to purchase the \$44.0 million of Cadence preferred stock and the associated warrant issued to the U.S. Department of the Treasury (Treasury) under the Capital Purchase Program for approximately \$38.0 million in cash plus accrued dividends through the signing of the definitive purchase agreement with the Treasury. Treasury has indicated its willingness to agree to sell its Cadence preferred stock and warrant for such cash consideration subject to entry into definitive documentation acceptable to Treasury in its sole discretion.

Upon completion of the merger, shares of Cadence common stock will no longer be listed on any stock exchange or quotation system, and you will not participate in our future earnings or growth.

We cannot complete the merger unless we obtain the necessary regulatory approvals and unless our shareholders approve the merger agreement. We are asking our shareholders to consider and vote on this merger proposal at a special meeting of shareholders. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to Cadence or submit your proxy by telephone or over the Internet following instructions on the proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the merger agreement.

The board of directors of Cadence enthusiastically supports the merger and recommends that you vote FOR the merger agreement.

This proxy statement contains a more complete description of the special meeting and the terms of the merger. We urge you to carefully review this entire proxy statement and the documents included with this proxy statement.

Sincerely yours,

Lewis F. Mallory, Jr.

Chairman of the Board and

Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger, passed upon the merits or fairness of the merger or determined if this proxy statement is accurate or adequate. Any representation to the contrary is a criminal offense.

Proxy statement dated November 3, 2010 and first mailed to shareholders of Cadence on or about November 5, 2010.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON DECEMBER 9, 2010

TO THE SHAREHOLDERS OF CADENCE FINANCIAL CORPORATION:

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of Cadence Financial Corporation (Cadence) will be held at 301 University Drive, Starkville, Mississippi 39759, on Thursday, December 9, 2010, at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger dated as of October 6, 2010, by and among Cadence, Community Bancorp LLC (CBC) and Maroon Acquisition Corp., a wholly-owned subsidiary of CBC (Merger Sub), pursuant to which Merger Sub will be merged with and into Cadence, with Cadence continuing thereafter as a wholly-owned subsidiary of CBC on and subject to the terms and conditions contained therein.
2. To consider and vote upon a proposal to adjourn the meeting to a later date or dates to permit further solicitation of proxies in the event that there are not sufficient votes at the time of the meeting to approve the matters to be considered by the shareholders at the meeting.

These proposals are described in detail in the attached proxy statement. Only shareholders of record at the close of business on November 3, 2010 are entitled to notice of and to vote at the special meeting.

The board of directors of Cadence unanimously recommends that you vote FOR the approval of the merger agreement and FOR adjustment of the meeting to a later date or dates to permit further solicitation of proxies, if necessary.

Your vote is important regardless of the number of shares you own. We cannot complete the merger unless the merger agreement is approved and adopted by the affirmative vote of the holders of at least a majority of the shares of Cadence common stock present or represented by proxy at the special meeting and entitled to vote at the special meeting. Whether or not you plan to attend the meeting, please complete, sign, date and return the enclosed proxy in the accompanying pre-addressed postage-paid envelope or submit your proxy by telephone or over the Internet following instructions on the proxy card. You may revoke your proxy card in the manner described in the proxy statement at any time before it is exercised. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

By order of the Board of Directors,

Lewis F. Mallory, Jr.

Chairman of the Board and

Chief Executive Officer

Starkville, Mississippi

November 3, 2010

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SUMMARY TERM SHEET

*The following summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement and the documents to which we refer you. We have included page references in this summary to direct you to other places in this proxy statement where you can find a more complete description of the topics we have summarized. See also **Where You Can Find More Information**.*

*Except as otherwise specifically noted in this proxy statement, **Cadence, we, our, us** and similar words in this proxy statement refer to Cadence Financial Corporation and its subsidiaries.*

The Parties to the Merger (page 18)

Cadence Financial Corporation is a Mississippi corporation and a bank holding company. Through its wholly-owned subsidiary, Cadence Bank, N.A., which we refer to as Cadence Bank, Cadence operates in the states of Mississippi, Alabama, Tennessee, Florida and Georgia. Cadence's primary business is providing traditional commercial and retail banking services to customers. Cadence also provides other financial services, including trust services, mortgage services and investment products.

Community Bancorp LLC, which we refer to as CBC, is a Delaware limited liability company formed in November 2009 and a bank holding company. CBC is headquartered in Houston, Texas. CBC has raised equity capital commitments in excess of \$900 million for the purpose of making investments in the U.S. banking sector, with a particular focus on community banks that are well positioned to benefit from the equity capital and industry expertise CBC can provide.

Maroon Acquisition Corp., a wholly-owned subsidiary of CBC to which we refer as Merger Sub, is a Delaware corporation formed on September 20, 2010 for the purpose of effecting the merger. At the effective time of the merger, Merger Sub will be merged with and into Cadence and the name of the resulting company will be Cadence Financial Corporation. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

The Merger (page 18)

If Cadence's shareholders approve the merger agreement at the special meeting, subject to the receipt of necessary regulatory approvals and the satisfaction or waiver of all other conditions to the merger, Merger Sub will merge with and into Cadence with Cadence being the surviving corporation. As a result of the merger, Cadence will become a wholly-owned subsidiary of CBC. Upon completion of the merger, shares of Cadence common stock will no longer be listed on any stock exchange or quotation system and each such outstanding share of Cadence common stock will be converted into the right to receive \$2.50 in cash, without interest and less any applicable withholding taxes (other than shares of Cadence common stock held by Cadence or CBC, which will be cancelled without payment). We currently expect to complete the merger in the first quarter of 2011, however, we cannot predict the exact timing of the consummation of the merger and whether the merger will be consummated.

We have included the merger agreement as Appendix A to this proxy statement. We encourage you to read the merger agreement in full, as it is the legal document that governs the merger.

The Special Meeting (page 15)

Date, Time and Place. The special meeting will be held on Thursday, December 9, 2010, starting at 10:00 a.m. (local time) at 301 University Drive, Starkville, Mississippi 39759.

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Purpose. You will be asked to consider and vote upon (1) the adoption of the merger agreement, and (2) the adjournment or postponement of the special meeting to a later date or time, if necessary or appropriate, to solicit additional proxies in the event there are insufficient votes at the time of such adjournment or postponement to adopt the merger agreement.

Record Date and Quorum. You are entitled to vote at the special meeting if you owned shares of Cadence common stock at the close of business on November 3, 2010, the record date for the special meeting. You will have one vote for each share of Cadence common stock that you owned on the record date. As of the record date, there were 11,909,127 shares of Cadence common stock issued and outstanding and entitled to vote. A majority of Cadence common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of the special meeting. In the event that a quorum is not present at the special meeting, the meeting may be adjourned or postponed to solicit additional proxies.

Vote Required. The adoption of the merger agreement requires the affirmative vote of holders of at least a majority of the shares of Cadence common stock present or represented by proxy at the special meeting and entitled to vote at the special meeting. Approval of any proposal to adjourn or postpone the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of the holders of a majority of the shares of Cadence common stock present in person or represented by proxy at the special meeting and entitled to vote on the matter.

Voting and Proxies. Any shareholder of record entitled to vote at the special meeting may submit a proxy by telephone, via the Internet, by returning the enclosed proxy card by mail, or by voting in person at the special meeting. If you intend to submit your proxy by telephone or the Internet you must do so no later than 4:00 p.m. central time on the date prior to the date of the special meeting. If you do not return your proxy card, submit your proxy by phone or the Internet or attend the special meeting, your shares of Cadence common stock will not be voted. Even if you plan to attend the special meeting, if you hold your shares of common stock in your own name as the shareholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card, by using the telephone number printed on your proxy card or by using the Internet voting instructions printed on your proxy card.

If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted **FOR** the proposal to adopt the merger agreement and **FOR** the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies, if applicable.

If your shares of Cadence common stock are held in street name, you should instruct your broker, bank, trust or other nominee on how to vote such shares of common stock using the instructions provided by your broker, bank, trust or other nominee. If your shares of Cadence common stock are held in street name, you must obtain a legal proxy from such nominee in order to vote in person at the special meeting. If you fail to provide your nominee with instructions on how to vote your shares of Cadence common stock, your nominee will not be able to vote such shares at the special meeting. Because the proposals to adopt the merger agreement and to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of common stock present in person or represented at the special meeting and entitled to vote thereon, and because your broker, bank, trust or other nominee does not have discretionary authority to vote on the proposal, the failure to instruct your nominee with voting instructions on how to vote your shares will have no effect on the approval of those proposals.

Revocability of Proxy. Any shareholder of record of Cadence common stock may revoke his or her proxy at any time, unless noted below, before it is voted at the special meeting by any of the following actions:

delivering to Cadence's Corporate Secretary a signed written notice of revocation bearing a date later than the date of the proxy, stating that the proxy is revoked;

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attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

signing and delivering a new proxy, relating to the same shares of Cadence common stock and bearing a later date; or

submitting another proxy by telephone or on the Internet before 4:00 p.m. central time on the date prior to the date of the special meeting (the latest telephone or Internet voting instructions will be followed).

If you are a street name holder of Cadence common stock, you may change your vote by submitting new voting instructions to your broker, bank, trust or other nominee. You must contact your nominee to obtain instructions as to how to change or revoke your proxy.

Written notices of revocation and other communications with respect to the revocation of any proxies should be addressed to:

Cadence Financial Corporation

301 University Drive

Starkville, Mississippi 39759

Background of the Merger (page 18)

On October 6, 2010, Cadence sent notice to Trustmark Corporation (Trustmark), Jackson, Mississippi, terminating the Agreement and Plan of Reorganization entered into by Cadence and Trustmark on September 21, 2010. Cadence terminated the Trustmark merger agreement because it received a bona fide acquisition proposal from CBC that our board determined in its good faith judgment and in the exercise of its fiduciary duties, based as to legal matters on the advice of independent legal counsel and as to financial matters on the advice of its financial advisor, to be a superior proposal. Immediately thereafter, on October 6, 2010, Cadence entered into the merger agreement with CBC. See Background of the Merger.

Reasons for the Merger (page 24)

In reaching its decision to adopt and approve, and declare advisable, the merger agreement, the merger and the other transactions contemplated by the merger agreement, Cadence's board of directors consulted with Cadence's management, as well as its financial and legal advisors, and considered a number of factors that the board members believed supported their decision.

Recommendation of Cadence's Board of Directors (page 24)

Cadence's board of directors believes that the merger is advisable and in the best interests of Cadence's shareholders and unanimously recommends that you vote **FOR** approval of the merger agreement and **FOR** adjournment of the meeting to a later date or dates to permit further solicitation of proxies, if necessary.

Opinion of Cadence's Financial Advisor (page 26)

Cadence's financial advisor, Keefe, Bruyette & Woods, Inc. (KBW) delivered a written opinion to our board of directors that, as of the date of the opinion, based on and subject to the considerations described in its opinion, the merger consideration is fair from a financial point of view to Cadence's shareholders. The full text of this opinion is attached as *Appendix B* to this proxy statement. We encourage you to read the opinion carefully to understand the assumptions made, matters considered and limitations of the review undertaken by KBW in rendering its fairness opinion.

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Merger Financing (page 36)

CBC's obligation to complete the merger is not subject to a financing condition. The total amount of funds necessary to complete the merger and the related transactions is anticipated to be approximately \$75 million, which includes approximately \$38 million to pay for the TARP Preferred and \$30 million to pay Cadence's shareholders, option holders and holders of restricted and phantom units the amounts due to them under the merger agreement at the closing of the merger, with the remaining funds to be used to pay customary fees and expenses in connection with the merger, the financing arrangements and the related transactions. These payments are expected to be funded by CBC from cash on hand.

Effect of the Merger on Options, Restricted Stock and Phantom Stock (page 36)

Cadence Stock Options

Owners of vested options must exercise them prior to consummation of the merger to be entitled to receive the merger consideration. Options that are not exercised will be cancelled and converted into the right to receive \$0.20 per option, subject to the execution of a release and termination of such option by the optionholder prior to the consummation of the merger.

Restricted Stock

All shares of Cadence common stock subject to time lapse restrictions are fully vested and will become free of restrictions as of the effective time of the merger and holders of such shares will be entitled to receive the merger consideration.

Phantom Stock

At the effective time of the merger, phantom stock units with respect to shares of Cadence common stock will be converted in to the right to receive a cash payment equal to \$2.50 per phantom stock unit plus accumulated dividends on such phantom stock unit.

Material U.S. Federal Income Tax Consequences of the Merger (page 34)

In general, the merger will be a taxable transaction for U.S. holders of Cadence common stock (as defined under The Merger Material U.S. Federal Income Tax Consequences of the Merger). For U.S. federal income tax purposes, a U.S. holder will generally realize and recognize a gain or loss measured by the difference, if any, between the cash received and the U.S. holder's tax basis in the shares exchanged in the merger. Gain or loss will be determined separately for each block of shares (i.e., shares acquired at the same cost in a single transaction). Holders are strongly encouraged to consult their tax advisors regarding the tax consequences of the merger to them. See the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger.

Interest of Cadence's Directors and Executive Officers in the Merger (page 32)

Some of the directors and officers of Cadence have interests in the merger that differ from, or are in addition to, their interests as shareholders of Cadence. The independent members of Cadence's board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to the shareholders that the merger agreement be approved.

The merger will constitute a change in control of Cadence that will trigger certain obligations that Cadence owes to Lewis F. Mallory, Jr., Mark A. Abernathy and Richard T. Haston under their respective employment agreements and to John Davis pursuant to a change of control agreement.

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Under the merger agreement, current and former officers and directors of Cadence are entitled to indemnification under Cadence's articles of incorporation, bylaws or indemnification contracts or undertakings for a period of six years from the effective time of the merger. In addition, CBC is obligated to maintain Cadence's existing director's and officer's liability insurance for a period of six years or purchase a tail policy providing coverage no less favorable than Cadence's existing policy. Cadence is prohibited from providing these benefits to management while Cadence's preferred stock and the associated warrant issued under the TARP Capital Purchase Program are outstanding. In addition, Cadence may not provide these benefits pursuant to FDIC regulations for so long as Cadence is under a consent order. These restrictions will only be removed with FDIC approval and are expected to be in place following the consummation of the merger. Moreover, CBC has indicated to us that it intends to continue to employ our management team. To the extent that Messrs. Mallory, Abernathy and Haston continue to be employed by Cadence such employees will not be entitled to change of control payments under these agreements.

The merger agreement provides that all of Cadence's outstanding vested options that are not exercised as of the effective time of the merger will be cancelled and converted into the right to receive \$0.20 per option, all Cadence restricted common stock granted subject to time lapse restrictions will become free of such restrictions and all phantom stock units will be converted into the right to receive the merger consideration and all accumulated dividends.

Security Ownership of Certain Beneficial Owners and Management (page 53)

As of November 3, 2010, the record date for the special meeting, the directors and executive officers of Cadence beneficially owned in the aggregate approximately 1,260,837 shares of Cadence's outstanding common stock entitled to vote at the special meeting or approximately 10.6% of Cadence's outstanding common stock.

Dissenter's Rights of Appraisal (page 46)

As a shareholder of Cadence, you do not have any dissenter's or appraisal rights under Mississippi law in connection with the merger or the other matters described in this proxy statement.

Regulatory Approvals (page 35)

The merger is subject to the approval of the Board of Governors of the Federal Reserve System. CBC filed an application with the Board of Governors of the Federal Reserve on October 25, 2010. Neither Cadence nor CBC can be certain if or when all such approvals will be obtained.

Other Conditions to the Merger (page 40)

A number of other conditions must be met for the parties to complete the merger. Any of these conditions may be waived by the party for whose benefit the condition exists. Currently, neither party intends to waive any condition to the merger. Other conditions include:

the receipt of the approval of Cadence shareholders;

the absence of any order, injunction, decree or other legal restraint or prohibition preventing the consummation of the merger and related transactions;

approval from all necessary governmental agencies and authorities, including the Federal Reserve Board and any other regulatory agency whose approval must be received;

the continuing accuracy of the parties' representations and warranties to each other as of the closing date of the merger subject to the materiality standards in the merger agreement;

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the absence of any change in the business or financial condition of Cadence which would have a material adverse effect on the condition of Cadence;

the aggregate amount of loans charged off between the date of the merger agreement and the second business day prior to the closing must not exceed \$100 million; and

the performance or compliance in all material respects by each party with its respective covenants and conditions required by the merger agreement.

Modifications or Waiver (page 44)

The parties may amend the merger agreement and each party may waive its right to require the other party to adhere to any term or condition of the merger agreement.

Payment of Trustmark Termination Fee (page 44)

Upon execution of the merger agreement, CBC advanced to Cadence \$2.0 million to be used by Cadence to pay the termination fee due upon termination of the Trustmark merger agreement. If the merger agreement is terminated by CBC for any reason or by Cadence due to receipt of a superior acquisition proposal, failure to obtain shareholder approval or mutual written consent with CBC to terminate the agreement, then Cadence must reimburse CBC for the \$2.0 million advance. Cadence is not required to reimburse CBC for the advanced \$2.0 million, if the merger agreement is terminated by Cadence for any reason other than for receipt of a superior acquisition proposal, failure to obtain shareholder approval or mutual written consent with CBC to terminate the agreement and Cadence is not in material breach of any of its representations, warranties and covenants.

Termination of the Merger Agreement (page 44)

The parties can mutually agree at any time to terminate the merger agreement.

Either party can unilaterally terminate the merger agreement if:

the merger has not become effective on or before March 30, 2011, unless the failure to complete the merger by that time is due to a material breach of the merger agreement by the party that seeks to terminate the merger agreement;

any court or other governmental body issues an order, decree or ruling or takes any other action restraining, enjoining or otherwise prohibiting the merger and such order, decree, ruling or other action is final and non-appealable;

any of the transactions contemplated by the merger agreement are disapproved by any regulatory authority or other person whose approval is required to consummate any of such transactions and such disapproval has become final and non-appealable;

the approval of the merger agreement by the shareholders of Cadence is not obtained;

the other party fails to comply in any material respect with any covenant or agreement contained in the merger agreement or breaches any of the representations or warranties and such breach would, individually or in the aggregate, cause the conditions for the merger not to be satisfied, and such breach has not been cured by the earlier of 15 days after the terminating party gives written notice of

such breach to the breaching party or March 30, 2011.

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Cadence may terminate the merger agreement, without the consent of CBC, if:

Cadence receives an acquisition proposal from a third party and the Cadence board of directors determines, in good faith and in the exercise of its fiduciary duties after consultation with its legal and financial advisors, that such proposal is superior to the terms of the merger agreement and the failure to terminate the merger agreement and accept such superior proposal would be inconsistent with the proper exercise of its fiduciary duties.

CBC may terminate the merger agreement, without the consent of Cadence, if Cadence's board of directors:

withdraws or modifies, in any manner that is adverse to CBC, its recommendation or approval of the merger agreement or recommends to the shareholders of Cadence the acceptance or approval of any alternative acquisition proposal or has resolved to do so.

If the merger agreement is terminated by Cadence in connection with the receipt of an alternative acquisition proposal, or by CBC upon the withdrawal or modification of Cadence's recommendation or approval of the merger agreement or recommendation of the approval of an alternative acquisition proposal, Cadence must reimburse CBC for up to \$1.0 million for CBC's expenses incurred in connection with the merger agreement and pay CBC a termination fee calculated as follows:

\$2.5 million if the merger agreement is terminated on or before the date that is 10 days from the date of execution of the merger agreement;

\$3.5 million if the merger agreement is terminated after 10 days from the date of the execution of the merger agreement and on or before the date that is 30 days from the date of execution of the merger agreement; and

\$4.5 million if the merger agreement is terminated after that date that is 30 days from the date of execution of the merger agreement. In addition, if the merger agreement was terminated by either party because shareholder approval was not received and prior to such time a third party proposed or publicly announced an acquisition proposal, then Cadence shall pay CBC the expense reimbursement, and if an acquisition proposal (i) is signed within 12 months of such termination and later consummated or (ii) consummated within 12 months of such termination, then in each case Cadence shall on consummation of the acquisition proposal also pay CBC the termination fee (in addition to the expense reimbursement).

No Solicitations (page 39)

In addition to the restrictions on Cadence outlined above, so long as the merger agreement is in effect, Cadence and its subsidiaries have agreed not to directly take any of the following actions:

solicit, facilitate, initiate or encourage the making of any acquisition proposal; or

enter into any negotiations concerning, furnish any information relating to Cadence in connection with, or agree to any acquisition proposal.

However, Cadence may furnish information or participate in negotiations or discussions after the board of directors of Cadence has determined, based on the advice of outside counsel, that the failure to furnish any information or participate in such negotiations or discussions would or could reasonably be expected to constitute a potential breach of any of the fiduciary obligations of Cadence's board of directors. Cadence has

agreed to notify CBC of any acquisition proposal received.

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Cadence may terminate the merger agreement if it has received an acquisition proposal from a third party which it determines, in good faith and in the exercise of its fiduciary duties after consultation with its legal and financial advisors, to be superior to the terms of the merger agreement and the failure to terminate the merger agreement and accept such superior proposal would be inconsistent with the proper exercise of its fiduciary duties under applicable law.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following are some questions that Cadence shareholders may have regarding the merger and the special meeting, and brief answers to those questions. You are encouraged to read carefully this entire proxy statement, including the Appendices, and the other documents to which this proxy statement refers or incorporates by reference because the information in this section does not provide all the information that might be important to you. Unless stated otherwise, all references in this proxy statement to CBC are to Community Bancorp LLC, a Delaware limited liability company; all references to Merger Sub are to Maroon Acquisition Corp., a Delaware corporation; all references to Cadence are to Cadence Financial Corporation, a Mississippi corporation, and its subsidiaries; all references to Cadence Bank are to Cadence Bank, N.A.; and all references to the merger agreement are to the Agreement and Plan of Merger, dated October 6, 2010, by and between CBC, Merger Sub and Cadence, a copy of which is attached as Appendix A to this proxy statement and is incorporated herein by reference.

Q: Why am I receiving this document?

A: CBC and Cadence have agreed to a merger, pursuant to which Merger Sub will merge with and into Cadence and Cadence will continue as the surviving corporation as a direct, wholly-owned subsidiary of CBC and will cease to be a publicly held corporation. To complete the merger, Cadence shareholders must vote to approve and adopt the merger agreement, and Cadence is holding a special meeting of shareholders to obtain such shareholder approval.

This document is the proxy statement by which the Cadence board of directors is soliciting proxies from you to vote on the approval and adoption of the merger agreement, as it may be amended from time to time, at the special meeting or at any adjournment or postponement of the special meeting.

Q: Does Cadence's board of directors recommend that shareholders approve and adopt the merger agreement?

A: Yes. The Cadence board of directors has approved the merger agreement and the transactions contemplated thereby, including the merger, and determined that these transactions are advisable and in the best interests of Cadence and its shareholders. Therefore, the Cadence board of directors unanimously recommends that you vote **FOR** the proposal to approve and adopt the merger agreement at the special meeting. *See* The Merger Reasons for the Merger and Recommendations of the Board of Cadence.

In considering the recommendation of Cadence's board of directors, shareholders of Cadence should be aware that members of Cadence's board of directors and its executive officers have agreements and arrangements that provide them with interests in the merger that may be different from, or in addition to, those of Cadence shareholders. *See* The Merger Interest of Cadence's Directors and Executive Officers of Cadence in the Merger.

Q: What will happen in the merger?

A: In the merger, Merger Sub will merge with and into Cadence and Cadence will continue as the surviving corporation as a direct, wholly-owned subsidiary of CBC and will cease to be a publicly held corporation.

Q: What will I receive in the merger?

A:

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If the merger is completed, each share of our common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of Cadence common stock held by Cadence or CBC, which will be cancelled without payment) will be converted into the right to receive \$2.50 in cash (the Merger Consideration), without interest and less any applicable withholding tax. The closing sale price of our

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common stock as quoted on the NASDAQ Global Market on October 5, 2010, the last trading day prior to announcement of the execution of the merger agreement, was \$2.08 per share. The \$2.50 per share to be paid for each share of common stock in the merger represents a premium of approximately 20% to the closing sale price on October 5, 2010 and a premium of approximately 45% to the closing sale price on September 22, 2010 (the day prior to the announcement of the agreement with Trustmark).

Q: What happens if the merger is not completed?

A: If the merger agreement is not approved by our shareholders or if the merger is not completed for any other reason, shareholders will not receive any payment for their shares in connection with the merger. Instead, we will remain an independent public company and the value of shares of our common stock will continue to be subject to the risks and uncertainties identified in our Annual Report on Form 10-K for the year ended December 31, 2009, included as *Appendix C* to this proxy statement and any updates to those risks and uncertainties set forth in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 included as *Appendix D* to this proxy statement. Under specified circumstances, we may be required to pay CBC a termination fee and expenses as described under the caption *The Merger Agreement Termination of Merger Agreement*.

Q: What am I being asked to vote on?

A: Cadence shareholders are being asked to vote on the following proposals:

to approve and adopt the merger agreement, as it may be amended from time to time; and

to approve the adjournment of the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting.

The approval by Cadence shareholders of the proposal to approve and adopt the merger agreement is a condition to the obligations of CBC and Cadence to complete the merger.

Q: What shareholder vote is required for the approval of each proposal?

A: The following are the vote requirements for the proposals:

Approval and Adoption of the Merger Agreement. The affirmative vote of holders of at least a majority of the shares of Cadence common stock present or represented by proxy at the special meeting and entitled to vote at the special meeting. If you abstain, it will have the same effect as a vote *AGAINST* the approval and adoption of the merger agreement.

Adjournment. The affirmative vote of holders of a majority of the shares of Cadence common stock present in person or represented by proxy at the special meeting and entitled to vote at the special meeting. Abstentions and broker non-votes will have the same effect as a vote *AGAINST* the proposal.

Your vote is very important. You are encouraged to submit a proxy as soon as possible.

Q: What constitutes a quorum for the special meeting?

- A: The presence in person or by proxy of the holders of a majority of the outstanding shares of Cadence common stock is necessary to constitute a quorum at the special meeting. If a shareholder is not present in person or represented by proxy at the special meeting, such shareholder's shares will not be counted for purposes of calculating a quorum. Abstentions and broker non-votes count as present for establishing a quorum.

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Q: If my shares are held in street name by my bank, broker or other nominee, will they automatically vote my shares for me?

A: No. If you hold shares of Cadence common stock in an account at a bank, broker or other nominee and do not chose to attend the special meeting in person, you must provide your bank, broker or other nominee with instructions as to how to vote your shares of Cadence common stock. You may also vote in person at the special meeting; however, if you wish to do so, you must bring a proxy from the bank, broker or other nominee identifying you as the beneficial owner of such shares of Cadence common stock and authorizing you to vote. Brokers will NOT vote shares of Cadence common stock held in street name unless you have instructed your broker how to vote.

Q: If my Cadence stock is certificated, should I send in my stock certificates with my proxy card?

A: No. Please do not send your Cadence stock certificates with your proxy card. Rather, promptly after the merger becomes effective, we will deliver or mail to you a form of letter of transmittal and instructions for the surrender of your Cadence stock certificates.

Q: Will the proceeds I receive for my shares in the merger be taxable to me?

A: In general, the merger will be a taxable transaction for U.S. holders of Cadence common stock (as defined under The Merger Material U.S. Federal Income Tax Consequences of the Merger). For U.S. federal income tax purposes, a U.S. holder will generally realize and recognize a gain or loss measured by the difference, if any, between the cash received and the U.S. holder's tax basis in the shares exchanged in the merger. Gain or loss will be determined separately for each block of shares (i.e., shares acquired at the same cost in a single transaction). Please review carefully the information under the caption The Merger Material U.S. Federal Income Tax Consequences of the Merger for a description of material U.S. federal income tax consequences of the merger. The tax consequences to you will depend on your own situation. You are strongly encouraged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

Q: When do CBC and Cadence expect to complete the merger?

A: CBC and Cadence are working to complete the merger as quickly as practicable. We currently expect the merger to be completed during the first quarter of 2011, subject to the approval and adoption of the merger agreement by Cadence shareholders, governmental and regulatory approvals and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur. See The Merger Conditions to the Completion of the Merger.

Q: Am I entitled to dissent from the merger?

A: No. You do not have the right under Mississippi law to dissent from the merger.

Q: When and where is the special meeting?

A: The special meeting will be held on Thursday, December 9, 2010 at 10:00 a.m., local time, at Cadence's principal executive offices located at 301 University Drive, Starkville, Mississippi 39759.

Q: Who can vote at the special meeting?

A: All holders of Cadence common stock who held shares at the close of business on the record date for the special meeting (November 3, 2010) are entitled to receive notice of and to vote at the special meeting, provided that such shares remain outstanding on the date of the special meeting or any adjournment or

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postponement thereof. As of the close of business on November 3, 2010, there were 11,909,127 shares of Cadence common stock outstanding and entitled to vote, held by approximately 2,340 holders of record. Each share of Cadence common stock is entitled to one vote.

Q: Is my vote important?

A: Yes, your vote is very important. If you do not submit a proxy or vote in person at the special meeting, it will be more difficult for Cadence to obtain the necessary quorum to hold the special meeting. In addition, if you abstain, that will have the same effect as a vote AGAINST the approval and adoption of the merger agreement, and if you fail to vote, it will have no effect on the outcome of the proposal. If you hold your shares through a bank, broker or other nominee, your bank, broker or other nominee will not be able to cast a vote on the approval and adoption of the merger agreement without instructions from you. The Cadence board of directors unanimously recommends that you vote FOR the approval and adoption of the merger agreement.

Q: What happens if I sell my shares after the record date but before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your Cadence shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting. However, you will not have the right to receive the merger consideration to be received by Cadence's shareholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

Q: What do I need to do now?

A: After you have carefully read this proxy statement, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope or, if available, by submitting your proxy by telephone or through the Internet as soon as possible so that your shares of Cadence common stock will be represented and voted at the special meeting.

Please refer to your proxy card or the information forwarded by your bank, broker or other nominee to see which voting options are available to you.

The Internet and telephone proxy submission procedures are designed to verify your stock holdings and to allow you to confirm that your instructions have been properly recorded.

The method by which you submit a proxy will in no way limit your right to vote at the special meeting if you later decide to attend the meeting in person. If your shares of Cadence common stock are held in the name of a bank, broker or other nominee, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote in person at the special meeting.

Q: How will my proxy be voted?

A: All shares of Cadence common stock entitled to vote and represented by properly completed proxies received prior to the special meeting, and not revoked, will be voted at the special meeting as instructed on the proxies. If you properly complete, sign and return a proxy card, but do not indicate how your shares of Cadence common stock should be voted, the shares of Cadence common stock represented by your proxy will be voted as the Cadence board of directors recommends and therefore FOR the approval and adoption of the merger agreement and FOR any proposal to adjourn the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting.

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Q: Can I revoke my proxy or change my vote after I have delivered my proxy?

A: Yes. You may revoke or change your proxy at any time before your proxy is voted by any of the following actions:

delivering to Cadence's Corporate Secretary a signed written notice of revocation bearing a date later than the date of the proxy, stating that the proxy is revoked;

attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

signing and delivering a new proxy, relating to the same shares of Cadence common stock and bearing a later date; or

submitting another proxy by telephone or on the Internet before 4:00 p.m. central time on the date prior to the date of the special meeting (the latest telephone or Internet voting instructions will be followed).

If you are a street name holder of Cadence common stock, you may change your vote by submitting new voting instructions to your broker, bank, trust or other nominee. You must contact your nominee to obtain instructions as to how to change or revoke your proxy.

Q: Who can answer my questions?

A: Cadence shareholders, banks and brokers should call Corporate Communications Inc. toll-free at 866-695-6075 with any questions about the merger or the special meeting, or to obtain additional copies of this proxy statement or proxy cards.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This proxy statement contains statements that are not historical facts and are considered forward-looking. You can identify these statements by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as may, will, project, might, expect, believe, anticipate, intend, estimate, continue, predicts, potential, ongoing, or pursue, or the negative or other words or expressions of similar meaning, may identify forward-looking statements. These forward-looking statements are found at various places throughout this proxy statement. These forward-looking statements, including without limitation, those relating to future actions, effects on us if the merger is not completed, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results, wherever they occur in this proxy statement, are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth from time to time in our filings with the SEC. In addition to other factors and matters contained in this document, these statements are subject to risks, uncertainties and other factors, including, among others:

we may be unable to obtain the required shareholder approval for the merger at the special meeting;

the conditions to the closing of the merger may not be satisfied, or the merger agreement may be terminated prior to closing, which would, in some cases, require us to pay up to a \$4.5 million termination fee, plus up to \$1.0 million for expenses to CBC and to reimburse CBC for the \$2.0 million advanced to pay the Trustmark Termination fee;

the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule;

disruptions and uncertainty, including diversion of management attention, resulting from our proposed merger may make it more difficult for us to maintain relationships with other customers, employees or suppliers, and as a result our business may suffer;

the restrictions on our conduct prior to closing contained in the merger agreement may have a negative effect on our flexibility and our business operations;

we have and will continue to incur significant expenses related to the merger prior to its closing and the merger may involve unexpected costs or unexpected liabilities;

the impact of compensation and other restrictions imposed under the Troubled Asset Relief Program (TARP) until Cadence's outstanding preferred stock issued under TARP is repaid;

legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by our regulators, changes in the scope and cost of FDIC insurance and other coverages, increases in regulatory capital requirements, and changes in the U.S. Treasury's Capital Purchase Program;

Cadence's ability to comply with any requirements imposed on us and Cadence Bank, including the consent order entered into on May 19, 2010, by our respective regulators, and the potential negative consequences that may result;

the outcome of any legal proceedings that may be instituted against Cadence or CBC and others related to the merger agreement;

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changes in accounting principles, policies, and guidelines applicable to bank holding companies and banking;

changes in the general economic business conditions;

inability to attract and retain deposits;

changes in the level of non-performing assets and charge-offs;

changes in the financial performance and/or condition of borrowers;

inflation, interest rate, cost of funds, securities market and monetary fluctuations;

changes in the competitive environment in which we operate; and

additional factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2009 included as *Appendix C* to this proxy statement, under the headings *Risk Factors* and *Quantitative and Qualitative Disclosures About Market Risk*, and as such factors were updated in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 included as *Appendix D* to this proxy statement.

See *Where You Can Find More Information*. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

THE FORWARD-LOOKING STATEMENTS IN THIS PROXY STATEMENT SPEAK ONLY AS OF THE DATE HEREOF. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.

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THE SPECIAL MEETING

Date, Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to Cadence's shareholders as part of the solicitation of proxies by the Cadence board of directors for use at the special meeting to be held on Thursday, December 9, starting at 10:00 a.m. (local time), at 301 University Drive, Starkville, Mississippi 39759, or at any adjournment or postponement thereof. The purpose of the special meeting is for Cadence's shareholders to consider and vote on adoption of the merger agreement and to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Cadence's shareholders must adopt the merger agreement in order for the merger to occur. If Cadence's shareholders fail to adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached to this proxy statement as *Appendix A*. You are urged to read the merger agreement in its entirety.

Record Date and Quorum

We have fixed the close of business on November 3, 2010 as the record date for the special meeting, and only holders of record of Cadence common stock on the record date are entitled to vote at the special meeting. As of the record date, there were 11,909,127 shares of Cadence common stock outstanding and entitled to vote. Each share of Cadence common stock entitles its holder to one vote on all matters properly coming before the special meeting.

A majority of the shares of Cadence common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals. Shares of Cadence common stock present in person or represented at the special meeting but not voted, including shares of Cadence common stock for which proxies have been received but for which shareholders have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. In the event that a quorum is not present at the special meeting, the special meeting may be adjourned or postponed to solicit additional proxies.

Vote Required for Approval

You may vote **FOR** or **AGAINST**, or you may **ABSTAIN** from voting on, the proposal to adopt the merger agreement. Consummation of the merger requires the adoption of the merger agreement by the affirmative vote of holders of at least a majority of the shares of Cadence common stock present or represented by proxy at the special meeting and entitled to vote at the special meeting. A majority of Cadence common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of the special meeting. Therefore, if you abstain, it will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

The adoption of the proposal to adjourn or postpone the special meeting to a later time, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Cadence common stock present in person or represented by proxy at the special meeting and entitled to vote thereon. Therefore, if you abstain, it will have the same effect as a vote **AGAINST** the adoption of the proposal to adjourn or postpone the special meeting and if you fail to vote, it will have no effect on the outcome of the proposal.

Proxies and Revocation

If you are a shareholder of record of your shares of Cadence common stock and you submit a proxy by telephone or the Internet or by returning a signed and dated proxy card by mail that is received by Cadence at any time prior to 4:00 p.m. central time on the date prior to the date of the special meeting, your shares will be voted at the special meeting as you indicate. If you sign your proxy card without indicating your vote, your shares will be voted **FOR** the adoption of the merger agreement and **FOR** the adjournment or postponement of the

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special meeting, if necessary or appropriate, to solicit additional proxies, and in accordance with the recommendations of the Cadence board of directors on any other matters properly brought before the special meeting, or at any adjournment or postponement thereof.

If your shares of Cadence common stock are held in street name, you will receive instructions from your broker, bank, trust or other nominee that you must follow in order to have your shares voted. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker, bank, trust or other nominee. Brokers, banks, trusts or other nominees who hold shares of Cadence common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, such nominees are not allowed to exercise their voting discretion with respect to the approval of matters that are non-routine, such as adoption of the merger agreement, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank, trust or other nominee that are present in person or represented at the meeting, but with respect to which the broker, bank, trust or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker, bank, trust or other nominee holds your shares of Cadence common stock in street name, your broker, bank, trust or other nominee will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this proxy statement. Because it is expected that brokers, banks, trusts and other nominees will not have discretionary authority to vote on either proposal, Cadence anticipates that there will not be any broker non-votes in connection with either proposal.

Proxies received by Cadence at any time before the vote being taken at the special meeting, which have not been revoked or superseded before being voted, will be voted at the special meeting. If you are a shareholder of record of shares of Cadence common stock, you have the right to change or revoke your proxy at any time, unless noted below, before the vote is taken at the special meeting:

by delivering to Cadence's Corporate Secretary a signed written notice of revocation bearing a date later than the date of the proxy, stating that the proxy is revoked;

by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

by signing and delivering a new proxy, relating to the same shares of Cadence common stock and bearing a later date; or

submitting another proxy by telephone or on the Internet before 4:00 p.m. central time on the date prior to the date of the special meeting (the latest telephone or Internet voting instructions will be followed).

If you are a street name holder of Cadence common stock, you may change your vote by submitting new voting instructions to your broker, bank, trust or other nominee. You must contact your nominee to obtain instructions as to how to change or revoke your proxy.

Written notices of revocation and other communications with respect to the revocation of any proxies should be addressed to:

Cadence Financial Corporation

301 University Drive

Starkville, Mississippi 39759

Attn: Corporate Secretary

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Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any adjournment may be made without notice if announced at the meeting at which the adjournment is taken and if the adjournment is to a date that is not greater than 30 days after the original date fixed for the special meeting and no new record date is fixed for the adjourned meeting. Any signed proxies received by Cadence prior to 4:00 p.m. central time on the date prior to the date of the special meeting in which no voting instructions are provided on such matter will be voted **FOR** an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Whether or not a quorum exists, holders of a majority of Cadence shares of common stock present in person or represented by proxy and entitled to vote at the special meeting may adjourn the special meeting. Because a majority of the votes present in person or represented at the meeting, whether or not a quorum exists, is required to approve the proposal to adjourn the meeting, abstentions will have the same effect on such proposal as a vote **AGAINST** the proposal. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Cadence's shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

Solicitation of Proxies

Cadence will pay all of the costs of this proxy solicitation. In addition to soliciting proxies by mail, directors, officers and other employees of Cadence or its subsidiaries may solicit proxies personally, by telephone, by facsimile or otherwise. None of these people will receive any special compensation for soliciting proxies. Cadence will arrange with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares held of record by such brokerage firms and other custodians, nominees and fiduciaries, and Cadence will, upon request, reimburse these record holders for their reasonable out-of-pocket expenses.

Questions and Additional Information

If you have questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, Cadence shareholders, banks and brokers should call Corporate Communications Inc. toll-free at 866-695-6075.

Availability of Documents

Documents incorporated by reference (excluding exhibits to those documents unless the exhibit is specifically incorporated by reference into those documents) will be provided by first class mail without charge to each person to whom this proxy statement is delivered upon written or oral request of such person. In addition, our list of shareholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at least 10 days prior to the date of the special meeting and continuing through the special meeting for any purpose germane to the meeting; the list will also be available at the meeting for inspection by any shareholder present at the meeting. See the section entitled **Where You Can Find Additional Information** for more information regarding where you request any of the documents incorporated by reference in this proxy statement or other information concerning Cadence.

Recommendation of the Cadence Board of Directors

Cadence's board of directors has unanimously approved the merger agreement and believes that the merger is in the best interests of Cadence and its shareholders. Cadence's board of directors unanimously recommends that Cadence's shareholders vote **FOR** approval of the merger agreement and **FOR** adjournment of the meeting to a later date or dates to permit further solicitations of proxies, if necessary. See **The Merger Reasons for the Merger and Recommendations of the Board of Cadence**.

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THE MERGER

The following information describes the material aspects of the merger. This description does not purport to be complete, and is qualified in its entirety by reference to the merger agreement which is attached to this proxy statement as Appendix A. All shareholders are urged to read the merger agreement in its entirety.

The Parties to the Merger

Cadence Financial Corporation

Cadence Financial Corporation is a Mississippi corporation and a bank holding company. Through its wholly-owned subsidiary, Cadence Bank, N.A. (Cadence Bank), Cadence operates in the states of Mississippi, Alabama, Tennessee, Florida and Georgia. Cadence's primary business is providing traditional commercial and retail banking services to customers. Cadence also provides other financial services, including trust services, mortgage services and investment products.

Cadence Financial Corporation

301 University Drive

Starkville, Mississippi, 39759

Telephone: (662) 323-1341

Community Bancorp LLC

Community Bancorp LLC, a Delaware limited liability company formed on November 18, 2009, is a bank holding company headquartered in Houston, Texas. CBC has raised equity capital commitments in excess of \$900 million for the purpose of making investments in the U.S. banking sector, with a particular focus on community banks that are well positioned to benefit from the equity capital and industry expertise CBC can provide.

Community Bancorp LLC

5151 San Felipe Street

Houston, Texas, 77056

Telephone: (713) 235-8803

Maroon Acquisition Corp.

Maroon Acquisition Corp., a wholly-owned subsidiary of CBC, is a Mississippi corporation formed on September 20, 2010 for the purpose of effecting the merger. At the effective time of the merger, Maroon Acquisition Corp. will be merged with and into Cadence and the name of the resulting company will be Cadence Financial Corporation. Maroon Acquisition Corp. has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Maroon Acquisition Corp.,

c/o Community Bancorp LLC

5151 San Felipe Street

Houston, Texas, 77056

Telephone: (713) 235-8803

Background of the Merger

As part of our board of directors' general oversight of our business and strategy, the board of directors and executive officers have periodically discussed and reviewed our business, performance and prospects, including various strategic alternatives, to maximize value for our shareholders. The strategic alternatives considered by the

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board have included, among other things, continuing our on-going operation as an independent institution, possible business combination opportunities, securities offerings and the potential sale or recapitalization of the company.

In recent periods, the board also considered the effects on our operating results of the significant operating restrictions imposed on us by virtue of the formal agreement that we entered into with the Office of the Comptroller of the Currency (the OCC) on April 17, 2009 and, subsequently, the consent order that we entered into with the OCC on May 19, 2010. Additionally, the board considered the effects and restrictions imposed on us as a result of our participation in the Capital Purchase Program under the TARP operated by the U.S. Department of the Treasury, pursuant to which we issued \$44 million of preferred stock (the TARP Preferred) to the U.S. Treasury, as well as a warrant that permits the U.S. Treasury to purchase up to 1,145,833 shares of our common stock.

The board of directors and management have also been aware in recent years of changes in the financial services industry and the regulatory environments as well as the competitive challenges facing a financial institution such as ours. These challenges have included increasing government regulations, increasing expense burdens and commitments for technology and training, an interest rate environment which has resulted in significant compression in the interest rate spread and margin, a deep and long recession which has created issues with respect to our asset quality, and increasing competition in the delivery of financial products and services combined with increased customer expectations for the availability of sophisticated financial products from financial institutions.

As a result of the formal agreement and consent order, we needed to raise additional Tier 1 capital in order to meet and maintain minimum Tier 1 leverage and risk-based capital ratios to achieve those mandated by the formal agreement and consent order. In 2009, we retained FBR Capital Markets Corporation, as our financial advisor to raise capital for Cadence. FBR was unable to consummate the offering due to unstable market conditions. Following several discussions during the early part of 2010 with Keefe, Bruyette & Woods (KBW), concerning our strategic alternatives, we decided to work with KBW to pursue a public offering of our common stock, which would allow us to exceed the capital ratios mandated by the OCC. On May 19, 2010, the same day we announced our consent order with the OCC, we filed a Registration Statement on Form S-1 in connection with an offering of approximately \$80 million of our common stock. Over the next few weeks, as we worked with the SEC to clear our registration statement for the offering, market conditions continued to worsen. As a result, KBW advised us that the market would not currently support the offering of our common stock and that the offering would have to be delayed until such time as the market would be more receptive to a capital raise by us.

In the event conditions for a public offering did not improve, we directed KBW in July 2010 to approach private investors that might be interested in providing capital to us or acquiring us. As a result of such inquiries, in July and early August of 2010, we entered into non-disclosure agreements with eight interested parties, one of whom was CBC which signed the non-disclosure agreement on July 23, 2010. Over the next several weeks, we provided these parties with confidential information and allowed such parties to access a data room for the purpose of conducting a confidential preliminary due diligence review of us. Of the eight parties that signed non-disclosure agreements, only CBC expressed interest in writing in pursuing a transaction as outlined below.

During this period, Cadence also directed KBW to contact financial institutions that may have an interest in acquiring Cadence. One of the financial institutions was Trustmark Corporation (Trustmark) which signed the non-disclosure agreement on August 17, 2010. At that time, our board of directors had not made a definitive determination whether or not to remain independent, undertake a merger or acquisition transaction, or attempt a further capital raise when market conditions permitted.

To facilitate the diligence process, we invited interested parties to conduct a limited on-site due diligence review of our operations, including our loan portfolio. During August, on-site due diligence of our operations was conducted by interested parties, including CBC and Trustmark.

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On August 5, 2010, CBC requested the exclusive right to negotiate an acquisition transaction with Cadence, but did not indicate a price or a price range for such a transaction. Cadence declined that request.

On August 17, CBC and Cadence held a conference call regarding the structure of a possible transaction and the necessity of CBC to do additional due diligence regarding our loan portfolio and CBC's desire to have a third party to conduct such diligence.

On August 18, 2010, CBC proposed that we retain a third party to perform valuation work on our loan portfolio and that we reconsider CBC's request for the exclusive right to negotiate an acquisition transaction with Cadence, but did not indicate a price or a price range for such a transaction. Cadence declined that request.

On August 24, 2010, CBC indicated that it desired to conduct further due diligence regarding certain aspects of our loan portfolio and again requested that we pay for an independent third party to conduct such a review. In addition, CBC indicated that although an estimate of value was difficult to project because the loan review work and other confirmatory diligence was critical to understanding the value of the Company, CBC estimated a price range of \$.50 to \$1.50 per share of our common stock. We agreed on August 24, 2010 to pay for such third party review.

On August 25, 2010, our senior management held a meeting with Richard Hickson, Chief Executive Officer of Trustmark. Following this meeting, Trustmark indicated a willingness to enter into a stock for stock transaction with Cadence at a price equal to approximately \$3.00 per share of our common stock, calculated based upon a exchange ratio using a Trustmark common stock price of \$19.60, subject to its continued due diligence and provided that the U.S. Treasury would discount the TARP Preferred by 60% as they had previously verbally agreed to do in connection with a proposed public offering of our common stock.

On August 27, 2010, our board of directors met to discuss the Trustmark proposal and the CBC indication of interest. After a lengthy discussion our board of directors authorized management to negotiate and execute a letter of intent with Trustmark at a price of \$3.00 per common share payable in Trustmark common stock.

On a conference call with CBC held on August 27, 2010, Cadence advised CBC to cease their efforts with respect to their due diligence evaluation of Cadence. On that same day CBC sent us a letter expressing disappointment that it had been requested to stop diligence and urging us to continue to engage with them regarding a possible transaction.

On August 30, 2010, we received a letter from CBC repeating its interest in a transaction and requesting that it be able to conduct an on-site review of our loan portfolio.

On August 31, 2010, we entered into a non-binding letter of intent with Trustmark providing for, among other things, an exchange of Trustmark common stock for our common stock with a value at the time of approximately \$3.00 per share of our common stock, for an aggregate value of approximately \$36 million. The letter of intent contemplated that the number of shares of Trustmark issued in the exchange would be fixed and as a result the value of the transaction to the holders of our common stock would change as the market value of the Trustmark common stock changed. Additionally, the letter of intent provided for the purchase by Trustmark of the TARP Preferred for approximately \$17.6 million, an approximately 60% discount to the \$44 million face value of the TARP Preferred, conditioned on obtaining U.S. Treasury approval of such discount. Under the terms of the letter of intent, Trustmark was granted exclusivity until September 15 to negotiate a definitive agreement. During the exclusivity period, we suspended all meetings and discussions with CBC.

On September 3, 2010, we executed an engagement letter with KBW for the purpose of rendering financial advisory and investment banking services in connection with our possible sale.

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On September 7, 2010, we received a letter from CBC pursuant to which CBC expressed its continued interest in a transaction with us at a price range of \$2.00 to \$3.50 per share of common stock, conditioned on satisfactory due diligence and approval of the U.S. Treasury. We notified Trustmark of another party's continued interest.

On September 13, 2010, Cadence expressed to Trustmark Cadence's desire to participate in any discussions Trustmark was to have with U.S. Treasury regarding the Cadence TARP Preferred, and Trustmark agreed to allow us to participate in any such conversations.

Based on Trustmark's discussion with the U.S. Treasury, that occurred without Cadence participating, with respect to the purchase by Trustmark of the Treasury's TARP Preferred investment in Cadence, in particular the unwillingness of Treasury to sell the preferred stock to Trustmark for an aggregate amount less than common shareholders were receiving, on September 13, 2010, Trustmark's financial advisor indicated to us that Trustmark had reduced its proposed price per share of our common stock from \$3.00 per share to \$2.00 per share and unilaterally adjusted the exchange ratio based upon the closing price of the Trustmark common stock price of \$20.64 on September 14, 2010.

On September 13, 2010, CBC repeated its interest in conducting additional due diligence at Cadence's offices on September 15, 2010.

On September 15, 2010, our board discussed the reduction of the price offered by Trustmark and the board's disappointment that the Cadence team had not been offered the chance to be involved with Trustmark's discussions with U.S. Treasury and that Trustmark had changed the exchange ratio. Later that day, we contacted Trustmark reiterating our desire to be involved with future conversations with U.S. Treasury and requested that Trustmark reconsider its \$2.00 price which was based upon a higher price to be paid to U.S. Treasury. Trustmark responded that its price was not negotiable and requested Cadence to sign the current draft of the definitive agreement without further negotiation. We informed Trustmark at this time we would not extend the exclusivity period that expired on September 15, 2010 under the letter of intent.

On September 16, 2010, we sent CBC a draft merger agreement for its consideration and encouraged CBC to submit a proposal to us by September 20, 2010. Also on September 16, 2010, CBC's executive team and CBC's independent loan portfolio evaluator visited Cadence's offices to conduct due diligence and hold meetings with Cadence's executives. CBC spent the next three days reviewing Cadence's diligence material. On September 16, 2010 and over the next several days, we continued to negotiate a merger agreement with Trustmark and to respond to their due diligence requests.

On September 17, 2010, CBC presented us with a proposal for \$2.50 in cash per share of our common stock as well as payments to the U.S. Treasury for the TARP Preferred in excess of \$38 million, conditioned on satisfactory due diligence and reaching an acceptable agreement with the U.S. Treasury regarding the TARP Preferred.

On September 17, 2010, Trustmark indicated to us that a definitive agreement must be entered into between us and Trustmark by September 20, 2010 or Trustmark would terminate discussions with us.

On September 19, 2010, CBC furnished substantial comments to the form of merger agreement and expressed their willingness to continue negotiations on an agreement.

Cadence continued to negotiate with both CBC and Trustmark. On September 20, 2010, we reached agreement on all terms of a definitive merger agreement with Trustmark. Also on September 20, 2010, CBC sent us an indication of interest that reiterated its \$2.50 cash price.

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On September 20, 2010, our board of directors met to evaluate the proposals of both Trustmark and CBC. The board of directors was updated on the status of the proposed agreements and legal and financial due diligence. In addition, outside legal counsel advised the board regarding their fiduciary duties and KBW delivered its fairness opinion regarding the Trustmark transaction. The board of directors considered all information available to them, including the fact that the CBC proposal potentially offered higher value than the current Trustmark proposal. However, CBC had not completed its discussions with the U.S. Treasury, negotiation of a definitive agreement with CBC was expected to take a additional time, Cadence had not completed its due diligence with respect to CBC (including that our board was concerned about and had not confirmed that CBC had received approval of a shelf charter (which they subsequently received) and our board had not received financial information from CBC), and Cadence was not in a position to request a fairness opinion from KBW regarding a transaction with CBC. Considering the status of the negotiations with CBC, Trustmark's threat to terminate discussions, the uncertainty as to whether a satisfactory merger agreement could be reached with CBC and the uncertainty as to, among other things, how long it would take to reach such agreement, the board of directors determined that the proposal from Trustmark was in the best interests of the shareholders and that we should move forward and execute a definitive agreement with Trustmark. In connection with this decision, the board of directors considered that the Trustmark merger agreement could be terminated by Cadence upon payment of a \$2 million termination fee if Cadence were to receive a bona fide Acquisition Proposal (as defined in the Trustmark merger agreement) that the board determined was a Superior Proposal (as defined in the Trustmark merger agreement).

Following approval by our board of directors, on September 21, 2010, we and Trustmark signed a merger agreement. The transaction with Trustmark was publicly announced after the close of the market on September 22, 2010.

On September 21, 2010, CBC sent a letter to our board of directors indicating CBC's continued interest in a transaction with us and a second letter stating that CBC was interested in discussing structural alternatives.

On September 24, 2010, CBC sent a letter to our board of directors stating its belief that the definitive agreement entered into between us and Trustmark was inferior in several respects to CBC's September 17 all cash proposal.

On September 28, 2010, the board of directors with advice from outside legal counsel considered whether the September 24 letter from CBC constituted an Acquisition Proposal under the terms of the agreement with Trustmark. Given the letter only expressed CBC's disappointment and did not reflect their continued interest in pursuing a transaction or affirmatively state that it was reaffirming its offer, our board with advice of counsel determined that the September 24 letter from CBC did not qualify as an Acquisition Proposal as defined in the Trustmark merger agreement.

On September 29, 2010, CBC sent a another letter to our board of directors indicating that CBC's September 17, 2010 offer of \$2.50 in cash per share of our common stock remained open and that CBC was ready, willing and able to execute and complete the proposed transaction. CBC indicated that it was its belief that its September 17, 2010 offer constituted a Superior Proposal under the terms of the merger agreement between us and Trustmark. On September 29, 2010, the board of directors with advice from outside legal counsel determined that CBC's third letter constituted a valid Acquisition Proposal as defined in the merger agreement and that the failure to furnish information to CBC or participate in negotiations or discussions with CBC would or could reasonably be expected to constitute a potential breach of fiduciary obligations of the board of directors. The board of directors authorized counsel to provide information to and commence discussions with CBC in light of their fiduciary duties.

On September 30, 2010, we notified Trustmark that we had received an Acquisition Proposal.

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On October 1, 2010, Trustmark sent a letter to our board of directors indicating that Trustmark was aware of our receipt of an Acquisition Proposal and that it was their expectation that we would abide by our agreement with Trustmark.

On October 2, 2010, CBC submitted to us a proposed merger agreement and Cadence's legal counsel met with CBC's management and its legal counsel to discuss and negotiate the CBC merger agreement. On October 3, CBC sent us a revised merger agreement.

On October 3, 2010, we advised Trustmark and CBC that on October 5, 2010, they would each be given an opportunity to meet with our board of directors and that Trustmark and CBC should provide any additional information with respect to their respective proposals they would like the board to consider to KBW by 8:00 a.m. on October 5, 2010.

On October 4, 2010, Trustmark indicated in a letter that there was no additional information that it desired to provide to our board of directors regarding the Trustmark offer.

On October 5, 2010, our board of directors listened to presentations from KBW with respect to the financial terms of the proposals as well as from outside legal counsel regarding the fiduciary duties of the board of directors and factors they may consider in evaluating the two transactions, as well as the issues associated with terminating the Trustmark merger agreement. Presentations from both CBC and Trustmark were also made to our board of directors. During its presentation, Trustmark indicated that it would be open to a collar arrangement to limit the potential downside risk and upside opportunity of Cadence shareholder arising from changes in the value of the Trustmark common stock prior to closing. Later that day, while the board of directors was still convened to evaluate the Trustmark and CBC proposals, Trustmark called us and indicated that it would be willing to raise its price by \$.25 and enhance certain provisions of the Trustmark merger agreement. Trustmark stated that this was its best and final offer.

Following the presentations of each of CBC and Trustmark, the board considered both the Trustmark and CBC proposals including their terms, the effects of each proposal on our shareholders and other constituencies, the risks of closing and other factors. Although Trustmark did not submit a revised offer in writing, nonetheless, the board of directors evaluated the additional consideration and other changes offered by Trustmark and determined that the revised Trustmark proposal was still inferior to the CBC proposal both as to price and other factors. Thereafter, our board of directors instructed our outside legal counsel to finalize and obtain certain enhancements to the merger agreement with CBC. Following the completion of such negotiations, our outside legal counsel advised the board of directors of the final proposed terms of the CBC proposal and the existing agreement with and the verbal offer from Trustmark. In addition, KBW delivered its fairness opinion regarding the CBC transaction to the board.

After further consideration of the CBC proposal and the existing agreement with and the verbal offer from Trustmark, our board of directors determined that the proposal by CBC was superior to the Trustmark agreement and consistent with the proper exercise of the board of directors fiduciary duties. Following such determination, our board of directors agreed to authorize the execution of the agreement and plan of merger with CBC, subject to the prior termination of the agreement with Trustmark and receipt of the applicable termination fee by Trustmark. CBC advanced to us the \$2 million termination fee payable under the Trustmark merger agreement.

On October 6, 2010, we delivered a notice of termination and the applicable termination fee of \$2 million to Trustmark. Following such termination, we executed the agreement and plan of merger with CBC. The termination of the agreement with Trustmark and the entry into the agreement with CBC was publicly announced prior to the opening of the market on October 6, 2010.

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Reasons for the Merger and Recommendation of the Board of Cadence

The Cadence board of directors believes that the merger is in the best interests of Cadence and its shareholders. Accordingly, the Cadence board has unanimously approved the merger agreement and unanimously recommends that Cadence shareholders vote **FOR** the proposal to approve the merger agreement.

In approving the merger agreement, the Cadence board consulted with its financial advisor with respect to the financial aspects and fairness of the proposed acquisition from a financial point of view and with its legal counsel as to its legal duties and the terms of the merger agreement and related agreements. The terms of the merger agreement, including the consideration to be paid to Cadence shareholders, were the result of arm's length negotiations between representatives of CBC and Cadence. In evaluating whether to merge with CBC, Cadence's board of directors considered a number of factors, including, without limitation, the following:

the current financial services industry environment, including increased competition and consolidation trends;

the effects of increased regulatory requirements on the financial services industry generally and on our income and expenses;

the fact that we were required to meet and maintain minimum Tier 1 leverage and risk-based capital ratios to achieve those mandated by the consent orders on or before September 19, 2010 or be subject to possible additional regulatory action;

the additional capital, liquidity and resources needed for Cadence's operations to continue to grow;

the process conducted by Cadence's management with the assistance of KBW to identify potential merger partners and to solicit proposals as to the financial terms, structure and other aspects of a potential transaction from potential merger partners;

the opinion of KBW dated October 5, 2010 delivered to our board as to the fairness, from a financial point of view as of the date of the opinion, of the \$2.50 per share cash Merger Consideration to be received by holders of our common stock pursuant to the merger. See *Appendix B* to this proxy statement and Opinion of Cadence's Financial Advisor for more information on the analyses and opinion, including the assumptions made, matters considered and limitations stated;

the current and historical prices of our common stock and the fact that the merger consideration of \$2.50 in cash per share of our common stock represented a premium of approximately 20% over the market price of our common stock on October 5, 2010, the date immediately prior to the announcement of the merger Agreement, and a premium of approximately 45% to the closing sale price on September 21, 2010 (the day prior to the announcement of the agreement with Trustmark) ;

the limited strategic alternatives available to Cadence, notwithstanding the extensive search and evaluation of alternatives conducted by management with the assistance of legal and financial advisors;

the concerns about the ability of Cadence to raise sufficient capital in a common stock offering to meet the requirements of the Consent Order imposed by the OCC;

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CBC's ability to negotiate and execute a definitive agreement and to close the merger on an expedited basis;

subject to certain conditions, including the payment of a termination fee under certain circumstances, the terms of the merger agreement allow our board to exercise its fiduciary duties to consider potential alternative transactions and to withdraw its recommendation to our shareholders to adopt the merger agreement and to terminate the merger agreement to accept a superior proposal;

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the proposed merger is for all cash, which provides a specific value to our shareholders compared to a transaction pursuant to which shareholders receive stock or other non-cash consideration that could fluctuate in value;

the non-economic terms of the transaction, including the impact on existing customers and employees;

the financial condition and resources of CBC;

the terms of the merger agreement generally;

the fact that Trustmark indicated its proposal to increase its offer by \$.25 was its best and final offer;

the fact that the terms of the CBC agreement were generally more favorable to Cadence than the terms of the Trustmark merger agreement;

the likelihood of consummating the transaction generally; and

the likelihood that the transaction will be approved by regulatory authorities.

Our board also considered a number of countervailing risks and factors concerning the proposed merger. These countervailing risks and factors included the following:

the fact that we will no longer exist as an independent company and our shareholders will be unable to participate in any future earnings, if any, or receive any benefit from any future increase in value of Cadence;

the fact that an all cash transaction would be taxable to shareholders of Cadence for U.S. federal income tax purposes;

the low price per share of common stock reflected by the merger consideration compared to the historical prices of our common stock;

employee attrition and the potential effect on business and customer relationships;
the interest of our officers and directors in the merger as described in The Merger Interest of Cadence's Directors and Executive Officers of Cadence in the Merger;

the fact that our officers and employees will have to focus extensively on actions required to complete the merger, as well as the substantial transaction costs that we will incur for the merger, even if it is not consummated;

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the fact that, pursuant to the merger agreement, we must generally conduct our business in the ordinary course and are subject to certain restrictions on the conduct of our business prior to the closing of the merger or termination of the merger agreement, which may delay or prevent us from pursuing business opportunities that may arise or preclude actions that would be advisable if we were to remain an independent company; and

the restrictions on Cadence's ability to solicit or engage in discussions or negotiations with a third party regarding specific transactions involving Cadence, and the up to \$4,500,000 termination fee and the up to \$1,000,000 in expenses payable to CBC upon the occurrence of certain events, and the possible deterrent effect that paying such fee might have on the desire of other potential acquirers to propose an alternative transaction that may be more advantageous to our shareholders.

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The discussion of the information, risks and factors that our board considered in arriving at its decision to approve the merger agreement and recommend that our shareholders vote to adopt the merger agreement is not intended to be exhaustive, but includes all material factors considered by our board. In view of the wide variety of factors and risks considered in connection with its evaluation of the merger, our board did not and did not believe it necessary to, and did not attempt to, rank or quantify the risks and factors, although individual members of the board may have assigned different weights to the factors and risks in their individual assessments of the merger. The overall analysis of the factors described above included multiple discussions with and questioning of our management, financial advisors and legal counsel. Our board carefully considered the risks and uncertainties associated with our remaining an independent publicly-traded company. Many of those risks and uncertainties are described in our Annual Report on Form 10-K for the year ended December 31, 2009 included as *Appendix C* to this proxy statement, any updates to those risks and uncertainties set forth in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 included as *Appendix D* to this proxy statement and the factors described below under *Effects on Cadence if the Merger is Not Completed*.

BASED ON THE REASONS STATED, CADENCE'S BOARD OF DIRECTORS BELIEVES THAT THE MERGER IS IN THE BEST INTERESTS OF CADENCE AND ITS SHAREHOLDERS. THE BOARD OF DIRECTORS OF CADENCE THEREFORE UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND UNANIMOUSLY RECOMMENDS THAT THE CADENCE SHAREHOLDERS VOTE FOR APPROVAL OF THE MERGER AGREEMENT.

Opinion of Cadence's Financial Advisor

The fairness opinion of KBW is described below. The description contains projections, estimates and/or other forward-looking statements about the future earnings or other measures of the future performance of Cadence. You should not rely on any of these statements as having been made or adopted by Cadence.

Cadence engaged KBW to render financial advisory and investment banking services. KBW assisted Cadence in analyzing, structuring, negotiating and reviewing the financial aspects of the merger. KBW is a nationally-recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Cadence and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial businesses and their securities in connection with mergers and acquisitions.

On October 5, 2010, the Cadence board held a meeting to evaluate the proposed merger with CBC. At this meeting, KBW rendered an oral opinion, subsequently confirmed in writing, that the consideration to be received by Cadence shareholders in the merger was fair to those shareholders from a financial point of view. The Cadence board approved the merger agreement at this meeting.

The full text of KBW's opinion, dated October 5, 2010, is attached as Appendix B to this proxy statement. Cadence shareholders are encouraged to read KBW's opinion carefully in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by KBW in connection with the rendering of its opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion is directed to the Cadence board and addresses only the fairness, from a financial point of view, of the consideration offered to the Cadence shareholders. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Cadence shareholder as to how the shareholder should