

UNITY BANCORP INC /NJ/
Form S-1
April 15, 2014

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As filed with the Securities and Exchange Commission on April 15, 2014

Registration No.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

UNITY BANCORP, INC.

(Exact Name of Registrant as Specified in its Charter)

New Jersey
(State of Incorporation)

6022
(Primary Standard
Classification Code)
64 Old Highway 22
Clinton, NJ 08809
(908) 730-7630

22-3282551
(IRS Employer ID No.)

(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

James A. Hughes, President and Chief Executive Officer
Unity Bancorp, Inc.
64 Old Highway 22
Clinton, NJ 08809
(908) 730-7630

(Name, Address and Telephone Number of Agent for Service)

Copies of communications to:

Robert A. Schwartz, Esq.
Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza, FL 6
New Brunswick, NJ 08901
732-846-7600

Approximate date of commencement of proposed sale to the public:
As soon as practical after this Registration Statement becomes effective.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Accelerated filer
 Non-accelerated filer
 Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Nontransferable common stock purchase rights	7,601,632	(1)	\$0	\$0
Shares of Common Stock, no par value(2)	760,163	\$7.92(3)	\$6,020,490.96(4)	\$775.44

- (1) The rights are being issued without consideration. Pursuant to Rule 457(g) under the Securities Act of 1933, no separate registration fee is required because the rights are being registered in the same registration statement as the Common Stock underlying the rights.
- (2) Represents shares of Common Stock issuable upon exercise of the rights.
- (3) Estimated solely for the purpose of determining the registration fee, in accordance with Rule 457 under the Securities Act of 1933, based upon the average of the reported high and low sales prices of the Common Stock report on the Nasdaq Global Market on April 11, 2014.
- (4) Represents the gross proceeds from the assumed exercise of all rights issued.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and no offer to buy these securities is being solicited in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED _____, 2014

We are distributing to holders of our outstanding common stock, at no charge, nontransferable subscription rights to purchase up to an aggregate of 760,163 shares of our common stock, no par value (we refer to this security in this prospectus as our "Common Stock") at a cash subscription price of \$ _____ per share.

You are receiving this prospectus because you held shares of our common stock as of the close of business on _____, 2014, the record date for this rights offering. We have granted you 1 right for each share of our common stock that you owned on the record date. You may purchase on a priority basis one share of our Common Stock for each 10 rights granted to you, subject to availability and allocation among other shareholders exercising their purchase rights as set forth herein. We retain the right to, but are not required to, offer any shares of Common Stock that remain unsubscribed at the expiration of the rights offering to current shareholders and investors who are not currently shareholders. We have no agreements with any such investors to purchase our Common Stock at this time.

The rights will expire if they are not exercised by 5:00 p.m., Eastern Daylight time, on _____, 2014, unless we extend the rights offering in our sole discretion.

We have agreed with Registrar and Transfer Company to serve as information agent for the rights offering. If you want to participate in this rights offering and you are the record holder of your shares, we recommend that you submit your subscription documents to the subscription agent before that deadline. If you want to participate in this rights offering and you hold shares through your broker, dealer, bank or other nominee, you should promptly contact your broker, dealer, bank or other nominee and submit your subscription documents in accordance with the instructions and within the time period provided by your broker, dealer, bank or other nominee. For a detailed discussion, see "The Rights Offering The Subscription Rights."

Investing in our common stock involves risks. You should read the "Risk Factors" section beginning on page 12 before making your investment decision.

	Per Share	Total(1)
Subscription price	\$	\$
Estimated expenses	\$	\$
Proceeds, before expenses, to Unity Bancorp	\$	\$

Our board of directors is making no recommendation regarding your exercise of the subscription rights. You should carefully consider whether to exercise your subscription rights before the expiration date. You may not revoke or revise any exercises of subscription rights once made unless we terminate or amend the rights offering.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

This Prospectus is dated _____, 2014

ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus and in the documents incorporated by reference herein. We have not authorized anyone to provide you with any other or different information. If anyone provides you with information that is different from, or inconsistent with, the information in this prospectus, you should not rely on it. You should assume that the information in this prospectus and the documents incorporated by reference is accurate only as of their respective dates. This document may only be used where it is legal to sell these securities. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sales of our shares of common stock.

Neither we, nor any of our officers, directors, agents or representatives, make any representation to you about the legality of an investment in our common stock. You should not interpret the contents of this prospectus to be legal, business, investment or tax advice. You should consult with your own advisors for that type of advice and consult with them about the legal, tax, business, financial and other issues that you should consider before investing in our common stock.

This prospectus does not offer to sell, or ask for offers to buy, any shares of our common stock in any state or jurisdiction where it would not be lawful or where the person making the offer is not qualified to do so.

No action is being taken in any jurisdictions outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in those jurisdictions. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about, and to observe, any restrictions that apply in those jurisdictions to this offering or the distribution of this prospectus.

As used in this prospectus, "Unity Bancorp, Inc." "Company," "we," "us," and "our" refer to Unity Bancorp, Inc. and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this document discuss future expectations, contain projections or results of operations or financial conditions or state other "forward-looking" information. Those statements are subject to known and unknown risk, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by the statements. We based the forward-looking statements on various factors and using numerous assumptions. Important factors that may cause actual results to differ from those contemplated by forward-looking statements include those disclosed under "Risk Factors" as well as the following factors:

the success or failure of our efforts to implement our business strategy;

the effect of changing economic conditions and, in particular, changes in interest rates;

changes in government regulations, tax rates and similar matters;

our ability to attract and retain quality employees; and

risks which may be described in our future filings with the Securities and Exchange Commission (referred to as the SEC).

We do not undertake to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission, or SEC, allows us to "incorporate by reference" information we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is considered to be a part of this prospectus. We incorporate by reference each of the documents listed below, except for portions of such reports which were deemed to be furnished and not filed:

our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 6, 2014;

You can also obtain these documents from us, without charge (other than exhibits, unless the exhibits are specifically incorporated by reference), by requesting them in writing or by telephone at the following address:

Unity Bancorp, Inc.
Attn: Alan Bedner, Chief Financial Officer
64 Old Highway 22
Clinton, NJ 08809
(908) 730-7630

QUESTIONS AND ANSWERS ABOUT THIS RIGHTS OFFERING

WHAT IS THE RIGHTS OFFERING?

The rights offering is a distribution to holders of our common stock, at no charge, of nontransferable rights to purchase shares of our Common Stock based on your ownership of common stock as of _____, 2014, the record date. The rights will not be evidenced by a certificate or any other written or tangible representation. You may purchase one whole share of our Common Stock at \$ _____ per share for every 10 rights granted to you. In addition, you may be able to purchase additional shares of the Common Stock. See "WHAT IS THE OVER-SUBSCRIPTION?" below.

HOW MANY RIGHTS WILL I RECEIVE?

We plan to distribute up to a total aggregate of 760,163 shares in the rights offering, based on our 7,601,632 outstanding shares as of the record date. You will receive one right for each share of our common stock held by you on the record date. For each 10 rights you hold, you may purchase one share of Common Stock at \$ _____ per share.

WHAT IS THE OVER-SUBSCRIPTION?

We retain the right to, but are not required to, offer any shares of Common Stock that remain unsubscribed at the expiration of the rights offering to current shareholders and investors who are not currently shareholders, at the discretion of the Board. We have no agreements with any such investors to purchase our Common Stock at this time.

HOW LONG WILL THE RIGHTS OFFERING LAST?

You will be able to exercise your purchase rights only during a limited period. If you do not exercise your purchase rights before 5:00 p.m., prevailing Eastern time, on _____, 2014, your purchase rights will expire, unless we extend the rights offering in our sole discretion. We reserve the right to offer and sell any shares that are not subscribed for in the rights offering to investors who are not currently shareholders of the Company, although we do not have any agreement with any such investors to buy shares of the Common Stock.

IS THERE ANY LIMITATION ON THE NUMBER OF RIGHTS I MAY EXERCISE?

You may only purchase the number of shares of Common Stock purchasable upon exercise of the number of purchase rights distributed to you in this offering. Accordingly, the number of shares of Common Stock you may purchase in this offering is limited by the number of shares of our common stock you held on the record date, plus to the extent that the Board, in its discretion, sell any unsubscribed shares to current shareholders and investors who are not current shareholders, which we cannot determine prior to completion of the offering.

ARE DIRECTORS AND OFFICERS PARTICIPATING IN THE RIGHTS OFFERING?

As of the date of this prospectus, certain of the Company's and the Bank's directors, executive officers and their related parties have indicated an intent to exercise their rights to purchase up to a maximum of approximately _____ in available shares.

WHY IS THE COMPANY ENGAGING IN A RIGHTS OFFERING?

The rights offering will provide us with additional capital to continue to grow our earning assets. Since December 31, 2010, our total assets have increased from \$818 million to \$921 million at December 31, 2013. During 2013, we redeemed approximately \$20.6 million in outstanding preferred stock issued to the United States Treasury ("UST") pursuant to the Capital Purchase Program

("CPP"), repurchased for \$2.7 million the common stock purchase warrant we had issued to the UST as part of the CPP, and exited from the CPP. Capital from this offering will help replenish the capital used to redeem the UST preferred stock and support our future growth. We are conducting the rights offering in order to allow our existing shareholders to participate in this financing, allowing them to minimize the dilution of their ownership arising from our issuance of the additional shares of Common Stock.

WHAT DOES UNITY PLAN TO DO WITH THE PROCEEDS OF THE RIGHTS OFFERING?

Total gross proceeds of the rights offering will be up to approximately \$5.7 million. It is the Board of Directors intent to raise approximately \$3 million to \$5 million. We will use the proceeds from the closing of the rights offering to support growth in our loan portfolio and for general corporate purposes, as well as to pay the expenses of the offering. See "Use of Proceeds."

WHAT HAPPENS IF I CHOOSE NOT TO EXERCISE MY PURCHASE RIGHTS?

You will retain your current number of shares of common stock even if you do not exercise your purchase rights. If you choose not to exercise your purchase rights, the percentage of our common stock that you beneficially own will decrease following the rights offering. Rights not exercised prior to the expiration of the rights offering will expire. Thereafter, we retain the right to offer and sell any shares that are not subscribed for in the rights offering to investors who are not currently shareholders of the Company.

HOW DO I EXERCISE MY PURCHASE RIGHTS?

You may exercise your purchase rights by properly completing and signing the subscription agreement accompanying this prospectus. You must deliver the subscription agreement with full payment of the subscription price to the subscription agent on or prior to the expiration date. If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your subscription agreement to the subscription agent on time, you may follow the guaranteed delivery the procedures described under "The Rights Offering Guaranteed Delivery Procedures" beginning on page 26. Registrar and Transfer Company will serve as subscription agent for the rights offering.

WHAT SHOULD I DO IF I WANT TO PARTICIPATE IN THE RIGHTS OFFERING BUT MY SHARES ARE HELD IN THE NAME OF MY BROKER, CUSTODIAN BANK OR OTHER NOMINEE?

If you hold shares of our common stock through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of the rights offering. If you wish to exercise your rights, you will need to have your broker, custodian bank or other nominee act for you. To indicate your decision, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owner Election Form." You should receive this form from your broker, custodian bank or other nominee with the other rights offering materials. You should contact your broker, custodian bank or other nominee if you believe you are entitled to participate in the rights offering but you have not received this form.

WILL I BE CHARGED A SALES COMMISSION OR A FEE BY THE COMPANY OR THE SUBSCRIPTION AGENT IF I EXERCISE MY PURCHASE RIGHTS?

No. We will not charge a brokerage commission or a fee to rights holders for exercising their rights. However, if you exercise your rights through a broker or nominee, you will be responsible for any fees charged by your broker or nominee.

WHAT IS THE BOARD OF DIRECTORS' RECOMMENDATION REGARDING THE RIGHTS OFFERING?

Our Board of Directors is not making any recommendation as to whether you should exercise your subscription rights. We urge you to make your decision based on your own assessment of the rights offering and the Company.

HOW MANY SHARES MAY I PURCHASE?

You are receiving 1 nontransferable subscription right for each share of common stock that you owned on _____, the record date. Each subscription right consists of the basic purchase right. You must exercise 10 basic purchase rights in order to purchase one (1) share of Common Stock for \$ _____ per share. If the existing shareholders as a group exercise all their rights to purchase shares, each shareholder would receive the amount of shares equal to their percentage interest in the Company, multiplied by the total number of shares registered by us in connection with this offering. We retain the right to, but are not required to, offer any shares of Common Stock that remain unsubscribed at the expiration of the rights offering to current shareholders and investors who are not currently shareholders, at the discretion of the Board. We have no agreements with any such investors to purchase our Common Stock at this time.

DO I HAVE TO PAY THE PURCHASE PRICE IN CASH?

You must timely pay the purchase price by wire transfer, certified or cashier's check drawn on a U.S. bank, or personal check that clears before the expiration date.

WHAT ARE THE U.S. FEDERAL INCOME TAX CONSEQUENCES RELATED TO THE RIGHTS OFFERING AND AS A HOLDER OF COMMON STOCK?

A holder of common stock should not recognize income or loss for federal income tax purposes in connection with the receipt or exercise of subscription rights in the rights offering.

HOW MANY SHARES OF COMMON STOCK WILL BE OUTSTANDING AFTER THE RIGHTS OFFERING?

On _____, 2014, the record date for the rights offering, there were 7,601,632 shares of Common Stock outstanding. Following completion of the rights offering, there will be 8,361,795 shares of Common Stock outstanding, assuming all shares offered are purchased.

IS EXERCISING MY SUBSCRIPTION RIGHTS RISKY?

Yes. The exercise of your rights and investing in our securities involves risks. Exercising your rights should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "Risk Factors," beginning on page 12.

MAY I TRANSFER MY RIGHTS IF I DO NOT WANT TO PURCHASE ANY SHARES?

No. Should you choose not to exercise your rights, you may not sell, give away or otherwise transfer your rights. However, rights will be transferable to certain affiliates of the recipient and by operation of law.

AM I REQUIRED TO SUBSCRIBE IN THE RIGHTS OFFERING?

No.

AFTER I EXERCISE MY RIGHTS, CAN I CHANGE MY MIND AND CANCEL MY PURCHASE?

No. Once you send in your subscription agreement and payment you cannot revoke the exercise of your rights, even if you later learn information about us that you consider to be unfavorable and even if the market price of our common stock changes. You should not exercise your subscription rights unless you are certain that you wish to purchase shares of our Common Stock at a price of \$ _____ per share. See "The Rights Offering No Revocation" on page 27.

WHEN WILL I RECEIVE MY SHARES OF COMMON STOCK IF I EXERCISE MY PURCHASE RIGHTS?

If you purchase shares of Common Stock through this rights offering, you will receive certificates representing those shares as soon as practicable after the expiration of the rights offering or shares in book form if held by a brokerage firm. Subject to state securities laws and regulations, we have the discretion to delay allocation and distribution of any shares you may elect to purchase by exercise of your subscription rights in order to comply with state securities laws.

IF THE RIGHTS OFFERING IS NOT COMPLETED, WILL MY SUBSCRIPTION PAYMENT BE REFUNDED TO ME?

Yes. The subscription agent will hold all funds it receives in escrow until completion of the rights offering. If the rights offering is not completed, the subscription agent will return promptly, without interest, all subscription payments. We reserve the right to terminate the offering at any time if, due to market conditions or otherwise, our Board deems it advisable not to proceed with the rights offering. However, there is no minimum number of shares that we must sell in order to complete the rights offering.

WHAT SHOULD I DO IF I HAVE OTHER QUESTIONS?

If you have questions or need assistance, please contact Registrar and Transfer Company, the subscription agent, toll-free within the United States by calling (800) 368-5948. An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available Monday through Thursday, between the hours of 8:00 A.M. and 7:00 P.M. Eastern time, and Friday, between the hours of 8:00 A.M. and 5:00 P.M. Eastern time (except holidays).

TO WHOM SHOULD I SEND FORMS AND PAYMENTS?

For delivery by mail, hand delivery or overnight courier:

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016-3572
Attn: Reorg/Exchange Dept.

For instructions on how your subscription payment should be sent to the subscription agent, see "The Rights Offering Method of Subscription Exercise of Subscription Rights" on page 24.

To ask other questions or to receive copies of our recent SEC filings, you also can contact us by mail or telephone, or refer to the other sources described under "Where You Can Find More Information" on page 35.

PROSPECTUS SUMMARY

We are a New Jersey corporation and a registered bank holding company under the Bank Holding Company Act of 1956, as amended, that was formed in 1994 to serve as the holding company for Unity Bank. The only significant activity of the Company is ownership and supervision of the Bank. At December 31, 2013, we had total assets of \$921 million, total loans of \$679 million and total deposits of \$739 million.

The Bank opened for business on September 16, 1991. The Bank is a full-service commercial bank, providing a wide range of business and consumer financial services through its main office in Clinton, New Jersey and fourteen New Jersey branches located in Clinton, Edison, Flemington, Highland Park, Linden, Middlesex, North Plainfield, Phillipsburg, Scotch Plains, Somerset, South Plainfield, Union, Washington and Whitehouse. In addition, the Bank has one Pennsylvania branch located in Forks Township. The Bank's primary service area encompasses the Route 22/Route 78 corridors between the Forks Township, Pennsylvania office and its Linden, New Jersey branch.

The principal executive offices of the Company are located at 64 Old Highway 22, Clinton, New Jersey, 08809, and the telephone number is (908) 730-7630. The Company's website address is www.unitybank.com.

The Company's primary business is ownership and supervision of the Bank. The Company, through the Bank, conducts a traditional and community-oriented commercial banking business and offers services, including personal and business checking accounts, time deposits, money market accounts and regular savings accounts. The Company structures its specific services and charges in a manner designed to attract the business of the small and medium sized business and professional community, as well as that of individuals residing, working and shopping in its service area. The Company engages in a wide range of lending activities and offers commercial, Small Business Administration ("SBA"), consumer, mortgage, home equity and personal loans.

In recent years, the Company, like many other real estate lenders, experienced higher levels of delinquent and non-performing assets. In addition, as a national SBA lender, we experienced higher levels of non-performing assets than our peers. In 2008, we withdrew from SBA lending outside of our primary market area, and began to take other steps to address our asset quality. Our total non-performing assets peaked at \$27.0 million in 2009, and have declined to \$15.9 million at December 31, 2013. As a percentage of our total assets, our nonperforming assets peaked at 3.18% at year-end 2011, and nonperforming assets constituted 1.73% of our total assets at December 31, 2013.

As we have improved our asset quality, our financial performance has also improved. Our diluted earnings per share increased from \$0.34 for the year ended December 31, 2012 to \$0.53 per share in the year ended December 31, 2013. We also resumed our cash dividend, paying a dividend of \$0.01 per share on June 28, 2013 to shareholders of record as of June 17, 2013.

In addition, in 2008, we participated in the CPP, receiving an investment of \$20.7 million in exchange for the issuance of shares of the Company's preferred stock and a warrant to purchase shares of our common stock. In the second and third quarters of 2013, we redeemed all of the outstanding preferred stock held by the UST in two transactions, for a total redemption price of \$20.7 million, and repurchased the common stock purchase warrant issued to the UST for a payment of \$2.7 million.

Reasons for the Offering

We are raising capital to support our future growth. As the economy in our trade area improves, we believe we will have additional opportunities to establish new relationships with borrowers and grow our loan portfolio. We have chosen to pursue a rights offering so that our shareholders have the opportunity to avoid or limit dilution of their ownership interests in our common stock. In addition, we

intend to conduct an offering of any shares not subscribed for in the rights offering to persons selected by us, in our sole discretion.

Service Areas

The Company's primary service area is defined as the neighborhoods served by the Bank's offices. The Bank's main office, located in Clinton, NJ, in combination with its Flemington and Whitehouse offices, serves the greater area of Hunterdon County. The Bank's North Plainfield and Somerset offices serve those communities located in the northern, eastern and central parts of Somerset County and the southernmost communities of Union County. The Bank's Scotch Plains, Linden, and Union offices serve the majority of the communities in Union County and the southwestern communities of Essex County. The offices in Middlesex, South Plainfield, Highland Park, and Edison extend the Company's service area into Middlesex County. The Bank's Phillipsburg and Washington offices serve Warren County. The Bank's Forks Township office serves Northampton County, Pennsylvania.

Summary Financial Data

The following statements of operations data for each of the years ended December 31, 2013, 2012, and 2011 and the balance sheet data as of December 31, 2013, 2012 and 2011 have been derived from our audited financial statements and related notes which are incorporated by reference into this prospectus. The summary financial data set forth below should be read in conjunction with our financial statements, the related notes, "Risk Factors," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere or incorporated by reference in the document. The historical results are not necessarily indicative of the results to be expected for any future period.

In thousands, except per share amounts and percentages	2013	2012	2011
For the Period:			
Total interest income	\$ 33,954	\$ 35,203	\$ 39,523
Total interest expense	6,529	7,774	10,551
Net interest income	27,425	27,429	28,972
Provision for loan losses	2,350	4,000	6,800
Net interest income after provision for loan losses	25,075	23,429	22,172
Total other income	6,604	7,338	5,661
Total other expense	23,997	24,297	24,518
Net Income before income taxes	7,682	6,470	3,315
Provision for income taxes	2,567	2,226	769
Net income	\$ 5,115	\$ 4,244	\$ 2,546
Preferred stock dividends	988	1,602	1,558
Income available to common shareholders	\$ 4,127	\$ 2,642	\$ 988
Per Share Data:			
Basic net earnings	\$ 0.55	\$ 0.35	\$ 0.13
Diluted net earnings	0.53	0.34	0.13
Cash dividends declared	0.03	0.00	0.00
Book value	7.55	7.62	7.24
Tangible book value	7.35	7.42	7.04
At Period End:			
Total loans	\$ 678,701	\$ 587,036	\$ 592,592
Earning assets	861,347	768,576	765,014
Assets	921,118	819,730	810,846
Total deposits	738,698	648,760	643,971
Stockholders' equity	57,173	77,510	73,558
Tangible stockholders equity	55,657	75,994	72,028
Common shares outstanding	7,577	7,534	7,459
Average Balances:			
Total loans	\$ 627,982	\$ 595,210	\$ 609,677
Earning assets	783,679	764,400	776,946
Assets	833,672	804,232	817,381
Deposits	673,063	635,585	652,054
Stockholders' equity	65,970	74,839	71,255
Tangible Stockholders' equity	64,454	73,317	69,718
Weighted average shares outstanding	7,547	7,477	7,333
Weighted average diluted shares outstanding	7,810	7,794	7,735
Key Performance Ratios:			
Return on average assets	0.61%	0.53%	0.31%
Return on average equity	7.22	4.80	1.90
Return on average tangible equity	6.40	3.60	1.42
Net interest margin, taxable equivalent	3.53	3.62	3.76
Dividend payout ratio	5.66	0.00	0.00
Efficiency ratio	71.34	71.06	71.42

THE RIGHTS OFFERING

Securities to be offered by us	We are distributing to you, at no charge, 1 non-transferable subscription right for every share of our common stock that you owned on the record date, either as a holder of record or, in the case of shares held of record by brokers, banks, or other nominees, on your behalf, as a beneficial owner of such shares, subject to adjustments to eliminate fractional rights and the ownership restrictions described below.
Subscription Price	The subscription price per share shall be equal to \$. You may pay the purchase price for the shares either by wire transfer or by check, or as instructed by your broker-dealer, bank or other nominee who is the record holder of your shares of our common stock. Your exercise of subscription rights will not be considered effective until your payment has cleared. In the case of immediately available funds, such as a wire transfer, funds will be deemed to clear upon receipt, but in the case of a check, up to five business days may be required for clearing and the check must clear prior to the expiration of the rights offering period.
Common stock to be outstanding after this offering	If all of our shares of common stock being offered are sold, 8,361,795 shares will be outstanding following closing of the offerings.
Basic subscription right	10 basic subscription rights will entitle you to purchase 1 share of common stock at a subscription price of \$ per share, subject to the ownership restrictions described below under the heading "ownership restrictions." Fractional shares resulting from the exercise of the basic subscription right will be eliminated by rounding down to the nearest whole share. You may exercise all or a portion of your basic subscription right, subject to the ownership restrictions, or you may choose not to exercise any subscription rights at all.
Over-subscription	We retain the right to, but are not required to, offer any shares of Common Stock that remain unsubscribed at the expiration of the rights offering to current shareholders and investors who are not currently shareholders, at the discretion of the Board. We have no agreements with any such investors to purchase our Common Stock at this time.
Minimum subscription	There is no minimum subscription amount under which we would be required to cancel or terminate the rights offering.
No fractional shares	Fractional shares resulting from the exercise of the subscription rights will be eliminated by rounding down to the nearest whole share.
Record date	, 2014
Expiration date	The subscription rights will expire at 5:00 p.m., Eastern time, on , 2014. We reserve the right to extend the expiration date and the rights offering period at our sole discretion.

Procedures for exercising subscription rights

To exercise your subscription rights, you must take the following steps:

If you are a registered holder of our common stock, you must deliver payment and a properly completed rights certificate to the subscription agent to be received before 5:00 p.m., Eastern time, on _____, 2014. You may deliver the documents and payments by first class mail or courier service. If you use first class mail for this purpose, we recommend using registered mail, properly insured, with return receipt requested.

If you are a beneficial owner of shares that are registered in the name of a broker, dealer, custodian bank or other nominee, you should instruct your broker, dealer, custodian bank or other nominee to exercise your subscription rights on your behalf. Please follow the instructions of your nominee, who may require that you meet a deadline earlier than 5:00 p.m., Eastern time, on _____, 2014.

Non-transferability of rights

The subscription rights may not be sold, transferred or assigned and will not be quoted on the NASDAQ Global Market or listed on any stock exchange or market.

Participation of directors and officers

Certain of our directors and executive officers, together with their affiliates, have indicated that they will participate in the rights offering and, collectively, we expect our directors and executive officers to purchase up to approximately _____ shares in the rights offering, subject to any necessary regulatory approvals, by exercising their subscription rights.

No board recommendation

Our board of directors is not making a recommendation regarding your exercise of the subscription rights. You are urged to make your decision to invest based on your own assessment of our business and the rights offering. Please see "Risk Factors" for a discussion of some of the risks involved in investing in our common stock.

No revocation

All exercises of subscription rights are irrevocable, even if you later learn of information that you consider to be unfavorable to the exercise of your subscription rights. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at a subscription price of \$ _____ per full share.

Closing

We expect to close the offerings on or about _____, 2014.

Market for common stock

Our common stock is currently traded on the NASDAQ Global Market under the symbol "UNTY." See "Market Price of Common Stock."

RISK FACTORS

An investment in our common stock involves significant risks. You should carefully consider the risks and uncertainties and the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference into this prospectus and the risks described below before you make an investment decision regarding the common stock. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.

Our business, financial conditio