

PARK NATIONAL CORP /OH/
Form DEFR14A
March 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. 1)

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 under §240.14a-12

Park National 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):

No fee required
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PARK NATIONAL CORPORATION
50 North Third Street
Post Office Box 3500
Newark, Ohio 43058-3500
(740) 349-8451
www.parknationalcorp.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held Monday, April 18, 2011

Dear Fellow Shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of Park National Corporation ("Park") will be held at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio 43055, on Monday, April 18, 2011, at 2:00 p.m., Eastern Daylight Saving Time, for the following purposes:

1. To elect five directors, each to serve for a term of three years to expire at the Annual Meeting of Shareholders to be held in 2014.
2. To approve, in a non-binding advisory vote, the compensation of Park's executive officers as disclosed in the accompanying proxy statement for the Annual Meeting.
3. To consider and vote upon a proposal to adopt an amendment to Article SIXTH of Park's Articles of Incorporation in order to provide that Park's shareholders do not have preemptive rights, as described in the accompanying proxy statement for the Annual Meeting.
4. To ratify the appointment of Crowe Horwath LLP as the independent registered public accounting firm of Park for the fiscal year ending December 31, 2011.
5. To transact any other business which properly comes before the Annual Meeting or any adjournment thereof. Park's Board of Directors is not aware of any other business to come before the Annual Meeting.

If you were a holder of record of common shares of Park at the close of business on February 25, 2011, you will be entitled to vote in person or by proxy at the Annual Meeting.

You are cordially invited to attend the Annual Meeting. Your vote is important, regardless of the number of common shares you own. Whether or not you plan to attend the Annual Meeting in person, it is important that your common shares be represented. Please complete, sign, date and return your proxy card in the postage-paid envelope provided as promptly as possible. Alternatively, refer to the instructions on the proxy card, or in the e-mail sent to you if you registered for electronic delivery of the proxy materials for the Annual Meeting, for details about transmitting your voting instructions electronically via the Internet or by telephone. Returning the proxy card or transmitting your voting instructions electronically does not deprive you of your right to attend the 2011 Annual Meeting and to vote your common shares in person in the manner described in the accompanying proxy statement.

By Order of the Board of Directors,

March 9, 2011

DAVID L. TRAUTMAN
President and Secretary

To obtain directions to attend the 2011 Annual Meeting and vote in person, please call Leda Rutledge at (740) 322-6828 or Renae Buchanan at (740) 349-0428.

TABLE OF CONTENTS

GENERAL INFORMATION	1
Availability of Proxy Materials	1
Delivery of Proxy Materials to Multiple Shareholders Sharing the Same Address	1
VOTING INFORMATION	2
Who can vote at the Annual Meeting?	2
How do I vote?	2
How will my common shares be voted?	3
What if my common shares are held through the Park National Corporation Employees Stock Ownership Plan?	4
Can the proxy materials be accessed electronically?	4
How do I change or revoke my proxy?	4
If I vote in advance, can I still attend the Annual Meeting?	5
What constitutes a quorum and what is the vote required with respect to the proposals to be considered at the Annual Meeting?	5
Routine and Non-Routine Proposals	5
Vote Required with Respect to the Proposals	5
Who pays the cost of proxy solicitation?	6
Who should I call if I have questions concerning this proxy solicitation and the proposals to be considered at the Annual Meeting?	7
NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS	7
CONSOLIDATION OF OHIO BANKING OPERATIONS	7
PARTICIPATION IN CAPITAL PURCHASE PROGRAM	8
PROPOSAL 1 – ELECTION OF DIRECTORS	8
Recommendation and Vote Required	14
BENEFICIAL OWNERSHIP OF PARK COMMON SHARES	14
Section 16(a) Beneficial Ownership Reporting Compliance	17
CORPORATE GOVERNANCE	18
Code of Business Conduct and Ethics	18
Park Improvement Line	18
Independence of Directors	18
Risk Management Oversight	20
Nominating Procedures	20
Communications with the Board of Directors	22
Transactions with Related Persons	22
Policies and Procedures with Respect to Related Person Transactions	22
Transactions Involving Subordinated Notes	23
Banking Transactions	24
BOARD OF DIRECTORS STRUCTURE AND MEETINGS	24
Meetings of the Board of Directors and Attendance at Annual Meetings of Shareholders	24
Board Leadership	25
Committees of the Board	25
Audit Committee	25
Compensation Committee	27
Executive Committee	29
Investment Committee	29
Nominating Committee	29
Risk Committee	30

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION	31
EXECUTIVE OFFICERS	31
PROPOSAL 2 – NON-BINDING ADVISORY VOTE ON COMPENSATION OF PARK’S EXECUTIVE OFFICERS	33
Recommendation and Vote Required	33

EXECUTIVE COMPENSATION	34
Compensation Discussion and Analysis	34
Executive Summary	34
Compensation Philosophy and Objectives	35
Process Used to Set Compensation for 2010	35
Factors Influencing Compensation in 2010	38
Elements of Compensation for 2010	40
Other Compensation Policies	43
Annual Bonus Pool for 2010	44
Incentive Compensation Plan for 2010 and 2011	44
Conclusion	45
Compensation Committee Report	45
Risk Analysis	45
Earnings Analysis	46
Summary Compensation Table	47
Grants of Plan-Based Awards	51
Outstanding Incentive Stock Options at Fiscal Year-End	51
Exercises of Incentive Stock Options	51
Post-Employment Payments and Benefits	51
Pension and Supplemental Benefits	51
Potential Payouts upon Termination of Employment or Change in Control	55
Supplemental Executive Retirement Benefits	55
Other Potential Payouts	55
DIRECTOR COMPENSATION	57
Annual Retainers and Meeting Fees	57
Split-Dollar Life Insurance Policies	57
Change in Control Payments	58
Other Compensation	58
Director Compensation for 2010	59
PROPOSAL 3 – AMENDMENT TO ARTICLE SIXTH OF PARK’S ARTICLES OF INCORPORATION TO ELIMINATE PREEMPTIVE RIGHTS	62
Description of Preemptive Rights and Purpose of the Proposed Amendment	62
Proposed Amendment	63
Recommendation and Vote Required	64
PROPOSAL 4 – RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	64
Recommendation and Vote Required	64
AUDIT COMMITTEE MATTERS	65
Report of the Audit Committee for the Fiscal Year Ended December 31, 2010	65
Role of the Audit Committee, Independent Registered Public Accounting Firm and Management	65
Management’s Representations and Audit Committee Recommendation	66
Pre-Approval of Services Performed by Independent Registered Public Accounting Firm	67
Fees of Independent Registered Public Accounting Firm	67
Audit Fees	67
Audit-Related Fees	67
Tax Fees	67
All Other Fees	68
SHAREHOLDER PROPOSALS FOR 2012 ANNUAL MEETING	68
FUTURE ELECTRONIC ACCESS TO PROXY MATERIALS AND ANNUAL REPORT	68

PARK NATIONAL CORPORATION

50 North Third Street
Post Office Box 3500
Newark, Ohio 43058-3500
(740) 349-8451
www.parknationalcorp.com

PROXY STATEMENT

Dated March 9, 2011

ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 18, 2011

GENERAL INFORMATION

We are furnishing this proxy statement and the accompanying proxy card to you as a shareholder of Park National Corporation (“Park”) in connection with the solicitation of proxies by Park’s Board of Directors for use at the Annual Meeting of Shareholders (the “Annual Meeting”) to be held on Monday, April 18, 2011, at 2:00 p.m., Eastern Daylight Saving Time, or at any adjournment thereof. The Annual Meeting will be held at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio 43055. This proxy statement summarizes information that you will need in order to vote.

Availability of Proxy Materials

On or about March 9, 2011, this proxy statement and the accompanying proxy card were first mailed or delivered electronically to the shareholders entitled to vote their common shares at the Annual Meeting. The common shares are the only shares of Park’s capital stock entitled to vote at the Annual Meeting. Park’s 2010 Annual Report was also mailed or delivered to shareholders with this proxy statement. Audited consolidated financial statements for Park and our subsidiaries for the fiscal year ended December 31, 2010 (the “2010 fiscal year”) are included in Park’s 2010 Annual Report.

Additional copies of Park’s 2010 Annual Report and copies of Park’s Annual Report on Form 10-K for the 2010 fiscal year may be obtained at www.proxyvote.com or www.parknationalcorp.com. Or, you can obtain paper copies, without charge, by sending a written request to: David L. Trautman, President and Secretary, Park National Corporation, 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500.

Delivery of Proxy Materials to Multiple Shareholders Sharing the Same Address

Periodically, Park provides each registered holder of common shares at a shared address, not previously notified, with a separate notice of Park’s intention to household proxy materials. The record holder notifies beneficial shareholders (those who hold common shares through a broker, a financial institution or another record holder) of the householding process. Only one copy of this proxy statement, the notice of the Annual Meeting and Park’s 2010 Annual Report is being delivered to previously notified multiple registered holders of common shares who share an address unless Park has received contrary instructions from one or more of the registered holders of common shares. A separate proxy card is being included for each account at the shared address.

Registered holders of common shares who share an address and would like to receive a separate copy of Park's 2010 Annual Report, a separate notice of the Annual Meeting and/or a separate proxy statement for the Annual Meeting, or who have questions regarding the householding process, may contact Park's transfer agent and registrar, The Park National Bank, c/o First-Knox National Bank Division, by calling (800) 837-5266, ext. 5208, or forwarding a written request addressed to the First-Knox National Bank Division, Attention: Debbie Daniels, P.O. Box 1270, One South Main Street, Mount Vernon, Ohio 43050-1270. Promptly upon request, a separate copy of Park's 2010 Annual Report, a separate notice of the Annual Meeting and/or a separate copy of the proxy statement for the Annual Meeting will be sent. By contacting the First-Knox National Bank Division, registered holders of common shares sharing an address can also: (i) notify Park that the registered shareholders wish to receive separate annual reports to shareholders, proxy statements and/or Notices of Internet Availability of Proxy Materials, as applicable, in the future; or (ii) request delivery of a single copy of annual reports to shareholders, proxy statements and/or Notices of Internet Availability of Proxy Materials, as applicable, in the future if they are receiving multiple copies.

Beneficial holders of common shares should contact their brokers, financial institutions or other record holders for specific information about the householding process as it applies to their accounts.

VOTING INFORMATION

Who can vote at the Annual Meeting?

Only holders of common shares of record at the close of business on February 25, 2011 are entitled to receive notice of and to vote at the Annual Meeting. At the close of business on February 25, 2011, there were 15,398,931 common shares outstanding and entitled to vote. The common shares are the only shares of Park's capital stock entitled to vote at the Annual Meeting.

Each holder of common shares is entitled to one vote for each common share held on February 25, 2011. A shareholder wishing to exercise cumulative voting with respect to the election of directors must notify the President and Secretary of Park in writing before 2:00 p.m., Eastern Daylight Saving Time, on April 16, 2011. If cumulative voting is requested and if an announcement of such request is made upon the convening of the Annual Meeting by the chairman or the secretary of the meeting or by or on behalf of the shareholder requesting cumulative voting, you will have votes equal to the number of directors to be elected, multiplied by the number of common shares you own, and will be entitled to distribute your votes among the candidates for election as directors as you see fit.

How do I vote?

Your common shares may be voted by one of the following methods:

- by traditional paper proxy card;
- by submitting voting instructions via the Web site identified on your proxy card;
- by submitting voting instructions via the Web site identified in the e-mail sent to you if you registered for electronic delivery of proxy materials for the Annual Meeting;
- by submitting voting instructions by telephone; or
- in person at the Annual Meeting.

Submitting Voting Instructions via the Internet or by Telephone. If you are a shareholder of record (that is, if your common shares are registered with Park in your own name), you may submit voting instructions via the Internet or by telephone, by following the instructions stated on your proxy card. If you have registered for electronic delivery of proxy materials for the Annual Meeting, you may submit voting instructions via the Internet by following the instructions stated in the e-mail delivering the proxy materials to you. If your common shares are registered in the name of a broker, a financial institution or another nominee (i.e., you hold your common shares in “street name”), your nominee may be participating in a program that allows you to submit voting instructions via the Internet or by telephone. If so, the voting form your nominee sent you will provide instructions for submitting your voting instructions via the Internet or by telephone. The last-dated proxy or voting instructions you submit (by any means) will supersede any previously submitted proxy or voting instructions. Also, if you submit voting instructions via the Internet or by telephone and later decide to attend the Annual Meeting, you may revoke your previously submitted voting instructions and vote in person at the Annual Meeting.

The deadline for submitting voting instructions via the Internet or by telephone as a shareholder of record is 11:59 p.m., Eastern Daylight Saving Time, on April 17, 2011. For shareholders whose common shares are registered in the name of a broker, a financial institution or another nominee, please consult the instructions provided by your nominee for information about the deadline for submitting voting instructions via the Internet or by telephone.

Voting in Person. If you attend the Annual Meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the Annual Meeting.

If you hold your common shares in “street name” through a broker, a financial institution or another nominee, then that nominee is considered the shareholder of record for voting purposes and will give you instructions for voting your common shares. As a beneficial owner, you have the right to direct that nominee how to vote the common shares held in your account. Your nominee may only vote the common shares of Park that your nominee holds for you in accordance with your instructions. If you have instructed a broker, a financial institution or another nominee to vote your common shares, the above-described options for revoking your proxy do not apply and instead you must follow the instructions provided by your nominee to change your vote.

If you hold your common shares in “street name” and wish to attend the Annual Meeting and vote in person, you must bring an account statement or letter from your broker, financial institution or other nominee authorizing you to vote on behalf of such nominee. The account statement or letter must show that you were the direct or indirect beneficial owner of the common shares on February 25, 2011, the record date for voting at the Annual Meeting.

How will my common shares be voted?

Those common shares represented by a properly executed proxy card that is received prior to the Annual Meeting or by properly authenticated Internet or telephone voting instructions that are submitted prior to the deadline for doing so, and not subsequently revoked, will be voted in accordance with your instructions by your proxy. If you submit a valid proxy card prior to the Annual Meeting, or timely submit your voting instructions via the Internet or by telephone, but do not complete the voting instructions, your proxy will vote your common shares as recommended by the Board of Directors, except in the case of broker non-votes where applicable, as follows:

- “FOR” the election as Park directors of the nominees identified below under the heading “PROPOSAL 1 – ELECTION OF DIRECTORS”;